Supreme Court, U.S.
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No.

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In The Supreme Court of the United States
October Term, 1994

TRANSCO PRODUCTS INC.,

Petitioner

PERFORMANCE CONTRACTING, INC. AND PERFORMANCE CONTRACTING GROUP, INC.,

Respondents

Petition For A Writ Of Certiorari To The United States Court Of Appeals For The Federal Circuit

PETITION FOR A WRIT OF CERTIORARI

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54 pp

QUESTIONS PRESENTED FOR REVIEW

1. Whether the Court of Appeals for the Federal Circuit improperly legislatively expanded 35 U.S.C. §120 to create an exception to the requirement of 35 U.S.C. §112 such that the inventor need not disclose the "best mode" of carrying out his invention at the time of filing a continuation application.

2. Whether 37 C.F.R. §1.60, an administrative regulation enacted for the convenience of patent practitioners, improperly alters the plain meaning of 35 U.S.C. §112, a federal statute, which requires the inventor to disclose the "best mode" of his invention at the time of filing a patent application.

PARTIES TO PROCEEDING

Pursuant to Rule 29.1 of this Court, petitioner hereby identifies Transco Products Inc., a wholly owned subsidiary of Transco Inc.

TABLE OF CONTENTS

Page

TABLE OF AUTHORITIES iv

REFERENCE TO OFFICIAL AND UNOFFICIAL REPORTS vii

STATEMENT OF JURISDICTION vii

STATUTES AND REGULATIONS INVOLVED vii

STATEMENT OF THE CASE 1

Basis for Federal Jurisdiction 1
Relevant Facts 1
Summary of Proceedings 2

REASONS FOR ALLOWANCE OF THE WRIT 4

SUMMARY OF ARGUMENT 4

I. THE FEDERAL CIRCUIT'S DECISION IMPROPERLY CARVES OUT A JUDICIAL EXCEPTION TO THE STATUTORILY MANDATED BEST MODE REQUIREMENT 5

II. THE FEDERAL CIRCUIT'S DECISION MISINTERPRETS SECTION 120 TO IGNORE THE BEST MODE REQUIREMENT OF SECTION 112 8

TABLE OF CONTENTS
(Continued)

Page

CONCLUSION 10

TABLE OF AUTHORITIES

Page

Baker Oil Tools, Inc. v. Geo Vann, Inc., 828 F.2d 1558 (Fed. Cir. 1987) 6

Board of Governors, FRS v. Dimension Financial Corp., 474 U.S. 361 (1986) 9

Chemcast Corp. v. Arco Industries Corp., 913 F.2d 923 (Fed. Cir. 1990) 8

City of Elizabeth v. American Nicholson Pavement Co., 97 U.S. (7 Otto) 126 (1878) 6

Dana Corp. v. IPC Ltd. Partnership, 860 F.2d 415 (Fed. Cir. 1988) 6

General Electric Co. v. United States, 654 F.2d 55 (Ct. Cl. 1981) 6

Gould Inc. v. United States, 579 F.2d 571 (Ct. Cl. 1978) 6

In Re Gay, 309 F.2d 769 (C.C.P.A. 1969) 6

In Re Nelson and Shabica, 280 F.2d 172 (C.C.P.A. 1960) 6

K-Mart Corp. v. Cartier, Inc., 486 U.S. 291 (1988) 9

TABLE OF AUTHORITIES
(Continued)

	Page(s)
Kewanee Oil Co. v. Bicron, 416 U.S. 470 (1974).....	4,5
La Bounty Mfg., Inc. v. U.S. International Trade Commission, 958 F.2d 1066 (Fed. Cir. 1992), *reh'g denied*, 1992 U.S. App. Lexis 9863 (Fed. Cir. May 5, 1992)	6
Morrill v. Jones, 106 U.S. 466 (1883)	9
UMC Electrics Co. v. United States, 816 F.2d 647 (Fed. Cir. 1987), *cert. denied*, 484 U.S. 1025 (1988)....	6
Universal Oil Co. v. Globe Co., 322 U.S. 471 (1944)...	4
Wahl Instruments, Inc. v. Acvious, Inc., 950 F.2d 1575 (Fed. Cir. 1991).....	6

Statutes:

15 U.S.C. §112.....	passim
15 U.S.C. §120	passim
35 U.S.C. §6	9
35 U.S.C. §122	7
35 U.S.C. §111.....	5

Regulations:

	Page
37 C.F.R. §1.60	9
37 C.F.R. §1.62	9

Other Authorities:

U.S. Const. art.I, §8, cl. 8	5

REFERENCES TO OFFICIAL AND UNOFFICIAL REPORTS

The decision of the United States Court of Appeals for the Federal Circuit, which is the subject of this Petition, is not yet reported officially, but is reported unofficially at 32 U.S.P.Q.2d 1077 (Fed. Cir. 1994). This decision reversed-in-part, vacated-in-part and remanded-in-part the district court's grant of summary judgment of invalidity of U.S. Patent No. 4,009,735 (the "Pinsky patent"). The district court's grant of summary judgment invalidating the Pinsky patent for failing to set forth the "best mode" as required under 35 U.S.C. §112 is reported officially at 821 F. Supp. 537, and unofficially at 28 U.S.P.Q.2d 1739.

STATEMENT OF JURISDICTION

The judgment of the United States Court of Appeals for the Federal Circuit was entered by written Order on September 14, 1994. Title 28 U.S.C. §1254(1) provides the statutory basis for this Court's jurisdiction to review the Federal Circuit's decision.

STATUTES AND REGULATIONS INVOLVED

This case involves Title 35 U.S.C. §6, Title 35 U.S.C. §112, Title 35 U.S.C. §120, 37 C.F.R. §1.60 and 37 C.F.R. §1.62. The most relevant portions of the statutes and regulations are set forth below. The remaining portions of 35 U.S.C. §6 and 37 C.F.R. §1.60, and the text for 37 C.F.R. §1.62 are set forth in the Appendices. The relevant portion of 35 U.S.C. §112 titled "Specification," is Paragraph 1 which provides:

> The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same, and shall set forth the best mode contemplated by the inventor of carrying out his invention.

Title 35 U.S.C. §120 titled "Benefit of Earlier Filing Date in the United States," provides in relevant part:

> An application for patent for an invention disclosed in the manner provided by the first paragraph of Section 112 of this title in an application previously filed in the United States, or as provided by Section 363 of this title, which is filed by an inventor or inventors named in the previously filed application shall have the same effect, as to such invention, as though filed on the date of the prior application, if filed before the patenting or abandonment of or termination of proceedings on the first application or on an application similarly entitled to the benefit of the filing date of the first application and if it contains or is amended to contain a specific reference to the earlier filed application.

Title 35 U.S.C. §6 titled "Duties of Commissioner," provides in relevant part:

> He [the Commissioner] may, subject to the approval of the Secretary of Commerce, establish regulations, not inconsistent with law, for the conduct of proceedings in the Patent and Trademark Office.

37 C.F.R. §1.60 titled "Continuation or Divisional Application for Invention Disclosed in a Prior Application," provides in relevant part:

> (b) An applicant may omit signing of the oath or declaration in a continuation or divisional application (filed under the conditions specified in 35 U.S.C. 120 or 121 and §1.78(a)) if:
>
> (1) the prior application was a complete application as set forth in §1.51(a),
>
> (2) applicant indicates the application is being filed pursuant to this Section and files a true copy of

the prior complete application as filed including the specification (with claims), drawings, an oath or declaration showing the signature or an indication it was signed, and any amendments referred to in the oath or declaration filed to complete the prior application,

(3) the inventors named in the continuation or divisional application are the same or less than all the inventors named in the prior application, and

(4) the application is filed before the patenting or abandonment of or termination of proceedings on the prior application.

The copy of the prior application must be accompanied by a statement that the application papers filed are a true copy of the prior application and no amendments referred to in the oath or declaration filed to complete the prior application introduced new matter therein.

STATEMENT OF THE CASE

Basis for Federal Jurisdiction

Federal jurisdiction in the district court is based upon 28 U.S.C. §§1331, 1338, 2201 and 2202 and 35 U.S.C. §271.

Relevant Facts

On October 23, 1973, Gordon Pinsky filed an application in the United States Patent and Trademark Office ("PTO") directed to a thermal insulation product for use inside the containment areas of nuclear power plants. The application was assigned to Owens-Corning Fiberglas ("OCF"). The Examiner entered a final rejection of the application after two attempts by OCF to get it allowed. Instead of filing an appeal to the Board of Patent Appeals and Patent Interferences, OCF abandoned the first application in favor of a second, continuation application which it filed with a new filing fee, on October 2, 1974, pursuant to 37 C.F.R. §1.60. This second, continuation application was given a new serial number, 511,392, and a new filing date. After further arguments to the Examiner, OCF finally got the continuation application allowed and on March 1, 1977, it issued as U.S. Patent No. 4,009,735 (the "Pinsky patent").

As the trial court found, in the year between the filing dates of the two applications, Mr. Pinsky and OCF discovered that the invention disclosed in the first application was unsafe and needed to be modified. Specifically, the drawings in the first application showed the nylon Velcro® fasteners used to secure the insulation to pipes oriented such that the heat of the nuclear power plant melted them, thereby causing the insulation to release and fall to the floor. Before filing the continuation application, OCF solved this problem by relocating the fasteners and including a protective flap to shield them from the heat. In addition, the fastener material was changed from nylon to stainless steel. Despite these important safety changes, OCF never disclosed to the PTO in the continuation application this new best mode of practicing its invention.

The Pinsky patent, therefore, issued without these important and necessary changes being disclosed to the public as mandated by 35 U.S.C. §112 and the decisions of this Court, e.g., *Kewanee Oil Co. v. Bicron*, 416 U.S. 470 (1974). OCF sold the Pinsky patent and the associated business to Performance Contracting Inc. ("Performance") before the present action was filed.

Summary of Proceedings

This petition arises from the Federal Circuit's holding that the district court erred as a matter of law in holding that a continuation application must disclose the best mode of practicing the invention as required by 35 U.S.C. §112. Transco filed suit in the United States District Court for the Northern District of Illinois seeking a declaratory judgment of invalidity, noninfringement and unenforceability of the Pinsky patent owned by Performance, and charging Performance with infringement of a patent owned by Transco, U.S. Patent No. 3,941,159 (the "Toll patent"). Performance counterclaimed, seeking a declaratory judgment of invalidity and unenforceability of the Toll patent and charging Transco with infringement of the Pinsky patent.

On May 12, 1992, the district court denied Performance's motion for summary judgment on the issue of invalidity of the Toll patent and granted Performance's motion for summary judgment as to Performance's noninfringement of the Toll patent. *Transco Products Inc. v. Performance Contracting, Inc.*, 792 F. Supp. 594 (N.D. Ill. 1992). On January 28, 1993, the district court denied both parties' motions for summary judgment of infringement and noninfringement of the Pinsky patent and *directed* Transco to file a motion for Summary Judgment on the grounds of Pinsky's failure to comply with 35 U.S.C. §112. *Transco Products Inc. v. Performance Contracting, Inc.*, 813 F. Supp. 613 (N.D. Ill. 1993). Performance conceded facts supporting such a motion in the earlier motions.

Transco moved for summary judgment of invalidity of the Pinsky patent based on OCF's noncompliance with 35 U.S.C.

§112, paragraph 1, and by failing to disclose in its patent applications the best mode of practicing its invention. The district court's thoughtful, thorough and well-reasoned opinion resolving this unique question held that the continuation application, which issued as the Pinsky patent, failed to disclose the best mode of practicing the invention as mandated by 35 U.S.C. §112. This holding was based, in part, on the court's finding that OCF concealed two important structural "best mode" safety features at the time of filing the second, continuation application: (1) the reorientation of the fastening system, and (2) the use of stainless steel hooks. *Transco Products Inc. v. Performance Contracting, Inc.*, 821 F. Supp. 537 (N.D. Ill. 1993). With respect to both features, the district court found that the discovery of the deficiencies of the best mode stated in the original, first application, and the discovery of remedies, were made in the period between the filing of the original, first patent application and the filing of the second, continuation application. Accordingly, the district court's findings of concealment of the best mode was premised on the failure to cure the original application at the time of filing the second, continuation application.

Performance appealed the district court's May 18, 1993 decision to the United States Court of Appeals for the Federal Circuit. On September 14, 1994, the Federal Circuit reversed the district court's decision with regard to updating the best mode in a continuation application. *Transco Products Inc. v. Performance Contracting, Inc.*, 32 U.S.P.Q.2d 1077 (Fed. Cir. 1994). Ignoring the plain language of the statute, the Federal Circuit found that an inventor need not disclose the "best mode" required by 35 U.S.C. §112 in any subsequent continuation application. Transco filed this petition because the Federal Circuit judicially expanded the scope of 35 U.S.C. §120 to alter or abrogate the best mode requirements of 35 U.S.C. §112.

REASONS FOR ALLOWANCE OF THE WRIT

The grant of this Petition will affect thousands of unexpired patents and future patent applications. Two amicus briefs have already been filed in the court below. A granting of this Petition will also permit this Court the opportunity to correct the Federal Circuit's legislative action in condoning a practice neither authorized nor contemplated by Congress when it enacted the patent statute. Specifically, the Federal Circuit legislatively expanded the scope of 35 U.S.C. §120, a priority of invention statute, to cut-out an unwritten exception to the explicit filing requirements of 35 U.S.C. §112, resulting in the nondisclosure of the "best mode" in later filed continuation applications in direct circumvention of Title 35. If allowed to stand, the Federal Circuit's decision will foster abuse by patent applicants and practitioners when filing second and subsequent continuation patent applications from a first, earlier filed application. The Federal Circuit's decision permits inventors to hide their true inventions from the public and encourages "submarine" patents, contrary to both the United States Constitution, to public policy, and to this Court's decisions. The grant of this Petition will further enable this Court to interpret the interplay between 35 U.S.C. §112 setting forth the requirements for patent application specifications, and 35 U.S.C. §120, giving the benefit of parent applications to continuation applications.

Summary of Argument

The complete disclosure of an invention in a patent application is the *quid pro quo* for the grant of the patent. *Kewanee Oil Co. v. Bicron*, 416 U.S. 470, 480-81, 484 (1974); *Universal Oil Co. v. Globe Co.*, 322 U.S. 471, 484 (1944). Title 35 U.S.C. §112 requires a patent applicant to disclose *at the time of filing the application* a written description "set[ting] forth the best mode contemplated by the inventor of carrying out his invention." The statute does not distinguish between an initial application and subsequent continuation applications. A plain reading of the statute makes it imperative the inventor set forth the best mode of the

invention at the time of filing any application. The Court of Appeals for the Federal Circuit subverted the statute and the patent system by holding, without statutory authority, legislative direction, or controlling precedent, that by satisfying the requirements of 35 U.S.C. §120, which only permits an inventor to reach back and use an earlier filing date under certain conditions to predate other inventions, patents and publications, an inventor need not update the best mode of practicing his invention in continuation applications. The Federal Circuit failed to recognize the requirements and purposes of 35 U.S.C. §112 are distinct from those of 35 U.S.C. §120, such that they should not be read together. Section 112 requires a complete disclosure of the best mode at the time of filing, be it the first, second, third, or any other application. The Federal Circuit's contrary decision promotes monopolies for more than the seventeen years permitted by Congress, encourages "submarine" patents, and compromises and imperils any guarantee to the public of the mandated best mode disclosure being set forth in the patent.

Argument

I. THE FEDERAL CIRCUIT'S DECISION IMPROPERLY CARVES OUT A JUDICIAL EXCEPTION TO THE STATUTORILY MANDATED BEST MODE REQUIREMENT

The Constitution gives Congress, not the courts, the power to legislate patents to promote the progress of science and the useful arts. U.S. Const. art.I, §8, cl.8. A complete disclosure in a patent application is compelled as the *quid pro quo* for the grant of the patent. *Kewanee Oil*, 416 U.S. at 480-81, 484. Accordingly, Congress deemed that in exchange for the limited term monopoly rights granted to inventors by the patent laws, 35 U.S.C. §112, paragraph 1, mandates "[t]he specification [of the patent application] shall contain a written description of the invention . . . and shall set forth the best mode contemplated by the inventor of carrying out his or her invention." Title 35 U.S.C. §111 dictates this specific disclosure must be made at the time of filing the application. Congress made no distinction between the first and any subsequent continuation applications.

The best mode requirement's well-recognized purpose is to ensure that the public, in exchange for the monopoly given the inventor under the patent laws, obtains from the inventor a full disclosure of the preferred embodiment of the invention which he has, in fact, conceived. *Dana Corp. v. IPC Ltd. Partnership*, 860 F.2d 415, 418 (Fed. Cir. 1988); *In re Gay*, 309 F.2d 769, 772 (C.C.P.A. 1969). The "best mode" requirement's purpose is to restrain inventors from applying for a patent while at the same time *concealing* preferred embodiments from the public. *Wahl Instruments, Inc. v. Acvious, Inc.*, 950 F.2d 1575, 1579 (Fed. Cir. 1991). Moreover, the reasons underlying 35 U.S.C. §112 and the patent statutes are for prompt and widespread disclosure to the public. *UMC Electrics Co. v. United States*, 816 F.2d 647, 652-53 (Fed. Cir. 1987), *cert. denied*, 484 U.S. 1025 (1988) (quoting *General Electric Co. v. United States*, 654 F.2d 55, 61 (Ct. Cl. 1981)); *Gould Inc. v. United States*, 579 F.2d 571, 580 (Ct. Cl. 1978). For this reason, 35 U.S.C. §102 forces the inventor to make a prompt and complete disclosure by requiring an application to be filed within certain time periods. *See e.g., City of Elizabeth v. American Nicholson Pavement Co.*, 97 U.S. (7 Otto) 126, 135 (1878); *see also, Baker Oil Tools, Inc. v. Geo Vann, Inc.*, 828 F.2d 1558, 1563-64 (Fed. Cir. 1987); *La Bounty Mfg., Inc. v. U.S. International Trade Commission*, 958 F.2d 1066, 1071-72 (Fed. Cir. 1992), *reh'g denied*, 1992 U.S. App. Lexis 9863 (Fed. Cir. May 5, 1992); *Gould*, 579 F.2d at 580. In short, Section 112 commands an enabling disclosure and at filing the best mode to ensure that the *public* is put in *full* possession of the invention. *See e.g., In Re Nelson and Shabica*, 280 F.2d 172, 176-77, 181-84 (C.C.P.A. 1960).

The Federal Circuit's decision, the first of its kind, runs completely counter to the tenets set forth above. The Federal Circuit held that an inventor does not have to "update" his or her disclosure or even "cure" a later learned, unsafe, inadequate disclosure in a second, continuation application. *Transco Products Inc. v. Performance Contracting, Inc.*, 32 U.S.P.Q.2d 1077 (Fed. Cir. 1994). This ruling primarily based on "practical implications," as opposed to Congressional intent or controlling precedent, carves out an exception to the plain language and fundamental purposes

of the "best mode" requirement espoused above.

First, the decision permits indefinite secrecy of subject matter sought to be patented, resulting in "submarine" patents. By statute, patent applications are examined in secrecy between the time of filing and the actual issuance of a patent. 35 U.S.C. §122. An applicant may, under the practice now permitted by the Federal Circuit, keep a patent application pending and file repeated continuations for a small fee, essentially treating the invention as a trade secret for years, in complete disregard of the disclosure requirements mandated by the patent laws. When a potential infringer appears in the marketplace, the applicant pays the issue fee, and then enforces his or her patent. The Federal Circuit is allowing a practice which indefinitely delays disclosure to the public of the patent's teachings. At the same time, the patent applicant is allowed to delay the start of the monopoly term by filing repeated continuation applications. Keeping applications under the surface of public knowledge as a trade secret for strategic emergence years later is a clear abuse of the patent system.

Second, this exception to 35 U.S.C. §112, as carved out for the first time by the Federal Circuit, does not ensure the public's receipt of the best mode in the patent. As correctly noted by the appellate court, over an extended time period of prosecution resulting from one or more continuation applications, improvements in the invention naturally occur. However, if the specification and claims remain the same, the public is deprived of the inventor's best mode of practicing the invention with the issuance of the patent. In short, if Section 112 is not applicable to continuation applications, then the public is permanently deprived of the "best mode" of practicing the invention, thereby impeding any development from the patent and progress in the art.

II. THE FEDERAL CIRCUIT'S DECISION MISINTERPRETS SECTION 120 TO IGNORE THE BEST MODE REQUIREMENT OF SECTION 112

The Federal Circuit misread 35 U.S.C. §120 as "govern[ing] the manner in which continuing applications are to be treated," claiming that "[t]he plain and unambiguous meaning of Section 120 is that any application fulfilling the requirements therein 'shall have the same effect' as if filed on the date of the application upon which it claims priority." *Transco*, 32 U.S.P.Q.2d at 1081-82. This interpretation ignores the clear statutory scheme set out by Congress.

Section 120, as the title "Benefit Of Earlier Filing Date In The United States" indicates, provides a means by which a patent applicant may obtain the "benefit of [an] earlier filing date in the United States." If after filing a first patent application, an applicant follows the requirements prescribed by 35 U.S.C. §120 in a later, subsequent filing, the applicant will be able to avail himself or herself of, and maintain, the first application's "effective" filing date for priority purposes for the *same* invention disclosed in the first application. Section 120 determines what is prior art (prior patents, publications, products and inventions) for examination purposes only, but does not determine the contents of a patent application.

Second and subsequent, continuation applications are still new applications - they receive a new serial number and filing date, and a new filing fee is required. The Federal Circuit's holding that under the language of Section 120, a continuation application need not update the best mode disclosure fails to recognize that a continuation is a "new filing." As the district court found, like any new application, a continuation is subject to the applicable principles of U.S.C. §112. Section 120 is a mechanism which permits the applicant to reach back and avoid the effect for examination purposes of an intervening prior art reference capable of barring patentability. Section 120 does not discard the statutory requirements of 35 U.S.C. §112 that an inventor (a) describe the invention and how to make and use it and (b) include the best mode of practicing the invention which is contemplated by him or

her at the time of *filing* his or her patent application. *Chemcast Corp. v. Arco Industries Corp.*, 913 F.2d 923, 926 (Fed. Cir. 1990).

The Federal Circuit's reading of Section 120 to do away with the best mode requirement is too broad, and cannot stand. The Federal Circuit also misinterprets the interplay between 35 U.S.C. §120 and 35 U.S.C. §112 by holding that, once Section 120 is satisfied, Section 112 is automatically satisfied. *Transco*, 32 U.S.P.Q.2d at 1081-1083. This is fundamentally incorrect. Sections 120 and 112 are distinct and separate statutes having distinct and separate purposes. A filing, be it a continuation or a continuation-in-part, is still an application with a specification and must independently satisfy *both* Sections 120 and 112. Section 120 is a vehicle by which an applicant may obtain and maintain a priority date of certain subject matter for purposes of determining what is prior art for examination purposes or for evaluating priority of inventorship. Section 112 states the disclosure and claim requirements for any patent application.

Indeed, Section 120 is *silent* as to the continuation application's need to satisfy Section 112. Nothing in either statute suggests that Congress intended the courts to ignore Section 112 when evaluating a Section 120 application and that application's best mode. There is simply no provision in Section 112 or Section 120 which excludes the operation of the substantive legal requirements called for in Section 112, including disclosure of the best mode of practicing the invention, in a continuation application. Accordingly, the Federal Circuit cannot and should not have read such a bypass into Section 120. *See K-Mart Corp. v. Cartier, Inc.*, 486 U.S. 291 (1988); *Board of Governors, FRS v. Dimension Financial Corp.*, 474 U.S. 361 (1986).

In support of its holding, the Federal Circuit cites 37 C.F.R. §§1.60 and 1.62, which set forth the procedures promulgated by the PTO for filing continuation applications under 35 U.S.C. §120. *Transco*, 32 U.S.P.Q.2d at 1083, n.8. This reliance is misplaced and not permitted. Specifically, these are administrative *regulations*, not statutes. Practice under these regulations cannot abrogate the statutory requirements imposed by Congress and Section 112. *Morrill v. Jones*, 106 U.S. 466 (1883). Title 35 U.S.C. §6

allows the Commissioner to promulgate only regulations not inconsistent with law. The Federal Circuit's decision impermissibly brings these cited administrative regulations into conflict with the plain language of 35 U.S.C. §§112 and 120 by allowing erasure of the Congressional requirements. For this reason also, the Federal Circuit decision should not stand.

CONCLUSION

For the foregoing reasons, Transco respectfully requests that this Court grant *certiorari* and review the Federal Circuit's September 14, 1994 decision.

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APPENDICES

United States Court of Appeals for the Federal Circuit

93-1431

TRANSCO PRODUCTS INC.,

Plaintiff-Appellee,

v.

PERFORMANCE CONTRACTING, INC. and
PERFORMANCE CONTRACTING GROUP, INC.,

Defendants-Appellants.

DECIDED: September 14, 1994

Before RICH, PLAGER, and SCHALL, *Circuit Judges.*
RICH, *Circuit Judge.*

Performance Contracting, Inc. and Performance Contracting Group, Inc. (collectively Performance) appeal the May 18, 1993, decision of the United States District Court for the Northern District of Illinois, *Transco Prods. Inc. v. Performance Contracting, Inc.*, 821 F. Supp. 537, 28 USPQ2d 1739 (N.D. Ill. 1993), holding by summary judgment claims 1-4 of U.S. Patent No. 4,009,735 (Pinsky patent) invalid on the basis of three violations of the best mode requirement of 35 U.S.C. § 112. The district court based two of these violations on Pinsky's failure to update his best mode disclosure upon filing a continuation application pursuant to 37 CFR § 1.60 (Rule 60). The district court based the third violation on Pinsky's failure to provide supplier/trade name information for a material recited in the claims and described in the specification.

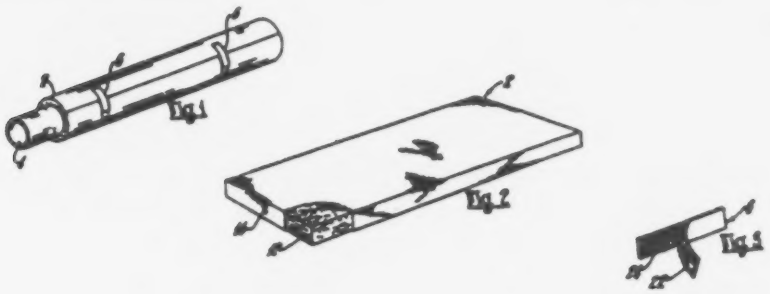
Because the district court erred as a matter of law in holding that an applicant must update the best mode disclosure upon the

filing of a continuing application containing no new matter, the district court's holding regarding the first two violations is reversed. In addition, because the district court improperly resolved a genuine issue of material fact on summary judgment to find the third violation, that part of the district court's holding is vacated and remanded for further proceedings in accordance with our discussion herein.

BACKGROUND

I. The Pinsky Patent

The Pinsky patent issued from a Rule 60 continuation application filed on October 2, 1974, which application claimed priority pursuant to 35 U.S.C. § 120 based on a parent application filed October 24, 1973. The Pinsky patent is directed generally to thermal insulation for vessels and piping within nuclear power plants. Fig. 1 of the Pinsky patent, which illustrates a pipe wrapped with thermal insulation according to the claimed invention, is set forth below together with both Fig. 2, which illustrates the thermal insulation with a portion of the glass fiber cloth facing removed, and Fig. 3, which illustrates the quick release fastener used for the thermal insulation:



Claim 1, the only independent claim in the Pinsky patent, reads as follows, with the numerals in brackets referring to elements illustrated in the figures:

> Readily removable and replaceable rewettable thermal insulation [2] for use on vessels and piping within reactor containment areas of nuclear power

plants comprising high temperature resistant mineral fiber or glass fiber [12] encapsulated within rewettable, high temperature resistant, asbestos free glass cloth [14] held in place with a plurality of spaced quick release and engage fasteners [6], wherein the glass cloth can withstand repeated wettings from spray systems within the reactor containment areas of nuclear power plants and wherein the fasteners are two woven nylon, hook and loop mating strips [22,24], wherein the glass cloth has a finish of a leachable, organic silicate carried in a fatty and mineral oil vehicle.[1/]

II. District Court Proceedings

Transco Products Inc. (Transco) began marketing thermal insulation for nuclear power plant containment areas as early as 1982. Performance notified Transco in three letters, dated February 13, March 8, and September 11, 1989, that Performance believed Transco was infringing the Pinsky patent. *Transco*, 821 F. Supp. at 541, 28 USPQ2d at 1741. In response, Transco filed suit on October 25, 1989, seeking a declaratory judgment of invalidity, non-infringement, and unenforceability of the Pinsky patent.[2/] By counterclaim, Performance asserted the Pinsky patent

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1/ Dependent claims 2-4, the only other claims in the Pinsky patent, read:

2. Thermal insulation according to claim 1 wherein the encapsulated fiber is a fine fiber and is in the form of tangled or felted mats.

3. Thermal insulation according to claim 2 wherein the mats are quilted.

4. Thermal insulation according to claim 1 wherein the strips comprise a hook strip covered with stiff little hooks and a loop strip covered with tiny, soft loops.

2/ Although not in issue here, Transco subsequently amended its complaint charging Performance with infringement of U.S. Patent No. 3,941,159 (Toll patent), owned by Transco, and Performance counterclaimed for a declaratory judgment of invalidity and unenforceability of the Toll patent. In a separate decision not appealed here, the district court granted a motion by Performance for summary judgment as to non-infringement of the Toll patent. *Transco Prods. Inc. v. Performance Contracting, Inc.*, 792 F. Supp. 594, 23 USPQ2d 1691 (N.D. Ill. 1992).

against Transco, alleging that Transco's sale of insulation for nuclear power plant containment areas infringed claims 1-4.

In the litigation that followed, Transco filed a motion for summary judgment of non-infringement of the Pinsky patent, and Performance filed a cross-motion for summary judgment of infringement. The district court denied both of these motions. *Transco Prods. Inc. v. Performance Contracting, Inc.*, 813 F. Supp. 613 (N.D. Ill. 1993). The district court, sua sponte, instructed the parties, however, to brief the issue of whether claims 1-4 of the Pinsky patent should be held invalid by summary judgment on the basis that the Pinsky patent fails to disclose the best mode of practicing the claimed invention. Following briefing, the district court issued the appealed decision holding the Pinsky patent invalid in view of three violations of the best mode requirement.[3/]

The district court based the first two best mode violations on knowledge Pinsky allegedly had at the time of filing his continuation application, but did not have at the time of filing the corresponding parent application. The district court found that Pinsky knew at the time of filing his continuation application that the use of stainless steel hooks for the fasteners (6), as opposed to the disclosed nylon-type hooks, constituted the best mode for carrying out the claimed invention. The district court also found that Pinsky knew at the time of filing his continuation application that the claimed fasteners should be placed longitudinally on the insulation with respect to the pipe, as opposed to circumferentially.

Of particular relevance to our disposition of this case, the district court found, and Transco does not dispute, that Pinsky did not consider either of the foregoing to be the best mode of practicing the claimed invention as of the filing date of the parent application. The district court stated, however, that the filing date of Pinsky's continuation application controlled, because, according to the district court, an applicant must update the best mode disclosure upon each filing of a continuing application. *Transco*, 821

3/ The district court noted that Transco labeled its motion for summary judgment as "partial," but explained that its ruling ended the litigation in its entirety. *Transco*, 821 F. Supp. at 540 n.2, 28 USPQ2d at1740 n.2.

F. Supp. at 550, 28 USPQ2d at 1749. Accordingly, the district court held that Pinsky's failure to disclose this information in his continuation application was a violation of the best mode requirement.

Regarding the third violation, the district court found that Pinsky violated the best mode requirement by failing to disclose the commercial designation for a material that he described in the specification for use as the finished glass cloth (14). The district court found that Pinsky's description of the cloth was deficient and that Pinsky should have disclosed that the use of Burlington Industries' commercial 603A finished glass cloth constituted the best mode, since he knew this supplier/trade name information at the time of filing the parent application.

ANALYSIS

I. Summary Judgment

A motion for summary judgment is properly granted only when

> the pleadings, depositions, answers to interrogatories, and admissions on file, together with the affidavits, if any, show that there is no genuine issue as to any material fact and that the moving party is entitled to judgment as a matter of law.

Fed. R. Civ. P. 56(c). All factual inferences are to be resolved in favor of the non-movant, in this case Performance. *Lemelson v. TRW, Inc.*, 760 F.2d 1254, 1260-61, 225 USPQ 697, 701 (Fed. Cir. 1985).

In reviewing the district court's grant of summary judgment, we must make an independent determination as to whether the standards of Rule 56(c) have been met. Reversal is required if the district court improperly determined any genuine issue of material fact or erred in holding that Transco was entitled to judgment as a matter of law. *McElmurry v. Arkansas Power & Light*, 995 F.2d 1576, 1578, 27 USPQ2d 1129, 1131 (Fed. Cir. 1993).

II. Continuing Applications and the Best Mode Requirement

A. Continuing Applications

Prior to analyzing the particulars of this issue, we believe it necessary to recognize that there are various types of "continuing" applications that one may file at the PTO. *See The Manual of Patent Examining Procedure* (MPEP), §§ 201.03-201.13 (1988); D. Chisum, *Patents*, § 13 (1985 rev.); P. Rosenberg, *Patent Law Fundamentals*, § 15.02[3] (1991). An applicant may file a continuation, divisional, or continuation-in-part (CIP) application of a prior application, all of which the PTO characterizes as "continuing" applications. *See MPEP* § 201.11. In general, a continuing application is one filed during the pendency of another application which contains at least part of the disclosure of the other application and names at least one inventor in common with that application.

"Continuation" and "divisional" applications are alike in that they are both continuing applications based on the same disclosure as an earlier application. They differ, however, in what they claim. A "continuation" application claims the same invention claimed in an earlier application, although there may be some variation in the scope of the subject matter claimed. *See MPEP* § 201.07. A "divisional" application, on the other hand, is one carved out of an earlier application which disclosed and claimed more than one independent invention, the result being that the divisional application claims only one or more, but not all, of the independent inventions of the earlier application. *See MPEP* § 201.06. A "CIP" application is a continuing application containing a portion or all of the disclosure of an earlier application together with added matter not present in that earlier application. *See MPEP* § 201.08.[4/] The term

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4/ Continuation and divisional applications may be filed under any one of 37 CFR §§ 1.53, 1.60, and 1.62, which provide different procedural benefits, whereas CIP applications may be filed only pursuant to 37 CFR §§ 1.53 and 1.62. Continuing applications filed pursuant to Rules 53 and 60 must be

(continued...)

"parent" is often used to refer to the immediately preceding application upon which a continuing application claims priority; the term "original" is used to refer to the first application in a chain of continuing applications. *See MPEP* §§ 201.04, 201.04(a).

The PTO has noted that the expressions "continuation," "divisional," and "continuation-in-part" are merely terms used for administrative convenience. *See MPEP* § 201.11. As explained more fully in section II.B. below, the bottom line is that, no matter what term is used to describe a continuing application, that application is entitled to the benefit of the filing date of an earlier application only as to common subject matter.

B. Interplay of Section 120 and Section 112

The district court held that an applicant must update the best mode disclosure upon filing any continuing application. The requirement that an applicant disclose the best mode for practicing the claimed invention is found in the first paragraph of section 112, which reads:

> *The specification* shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same, and *shall set forth the best mode contemplated by the inventor of carrying out his invention.*

35 U.S.C. § 112, ¶ 1 (emphasis added).

On its face, section 112 does not distinguish between a parent application and continuing applications thereof. However, section

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4/ (...continued)
filed prior to the "patenting or abandonment of or termination of proceedings on" the earlier application on which it is based, whereas a continuing application filed pursuant to Rule 62 must be filed prior to "the payment of the issue fee, abandonment of, or termination of proceedings" of the earlier application.

112 must be read in light of the other parts of Title 35, namely section 120, which governs the manner in which continuing applications are to be treated. Section 120 reads:

> An application for patent for an invention disclosed in the *manner provided by the first paragraph of section 112* of this title in an application previously filed in the United States, or as provided by section 363 of this title, which is filed by an inventor or inventors named in the previously filed application *shall have the same effect, as to such invention, as though filed on the date of the prior application*, if filed before the patenting or abandonment of or termination of proceedings on the first application or on *an application similarly entitled to the benefit of the filing date of the first application* and if it contains or is amended to contain a specific reference to the earlier filed application.

35 U.S.C. § 120 (emphasis added). In essence, "having the same effect" means having the benefit of the filing date of the earlier filed application.

When statutory interpretation is at issue, the plain and unambiguous meaning of a statute prevails in the absence of clearly expressed legislative intent to the contrary. *See Mansell v. Mansell*, 490 U.S. 581, 592 (1989); *In re Donaldson Co.*, 16 F.3d 1189, 1192-93, 29 USPQ2d 1845, 1848 (Fed. Cir. 1994). The plain and unambiguous meaning of section 120 is that any application fulfilling the requirements therein "shall have the same effect" as if filed on the date of the application upon which it claims priority. The courts have repeatedly recognized this principle.

Section 120 appeared in the statutes for the first time in the Patent Act of 1952. Prior to 1952, continuing application practice was a creature of patent office practice and case law, and section 120 merely codified the procedural rights of an applicant with respect to this practice. *See Racing Strollers, Inc. v. TRI Indus., Inc.*, 878 F.2d 1418, 1421, 11 USPQ2d 1300, 1302 (Fed. Cir. 1989); *In re Hogan*, 559 F.2d 595, 603, 194 USPQ 527, 535 (CCPA 1977); *In re Henriksen*, 399 F.2d 253, 258-260, 158 USPQ

224, 227-29 (CCPA 1968). Before section 120 was enacted, the Supreme Court noted that a continuing application and the application on which it is based are considered part of the same transaction constituting one continuous application. *Godfrey v. Eames*, 68 U.S. 317, 325-26 (1864).[5/] The legislative history of section 120 does not indicate any congressional intent to alter the Supreme Court's interpretation of continuing application practice. The Court of Customs and Patent Appeals (CCPA), a predecessor of this court, acknowledged that the state of the law regarding continuing application practice had not been changed by the enactment of section 120:

> The Supreme Court's explanation illuminates the meaning of "shall have the same effect" and clearly requires that we view appellants' applications as "parts of the same transaction" and "as constituting one continuous application" *for the continuing subject matter recited therein.*

Hogan, 559 F.2d at 604, 194 USPQ at 535 (emphasis added). Thus, an application is entitled to the benefit of the filing date of an earlier application as to common subject matter. *See Weil v. Fritz*, 572 F.2d 856, 865 n.16, 196 USPQ 600, 608 n.16 (CCPA 1978); *Wagoner v. Barger*, 463 F.2d 1377, 1380, 175 USPQ 85, 86 (CCPA 1972); *In re Van Langehoven*, 458 F.2d 132, 136, 173 USPQ 426, 429 (CCPA 1972); *In re Lukach*, 442 F.2d 967, 968, 169 USPQ 795, 797 (CCPA 1971); *In re Shaw*, 202 USPQ 285, 293 (Comm. Pat. 1978).

C. Best Mode Requirement

By use of the language "in the manner provided by the first

5/ The PTO also recognized this aspect of continuing application practice prior to enactment of section 120. *See Ex Parte Hall*, 1920 C.D. 56, 57; 277 O.G. 395, 395 (1920) ("A continuing application is one filed subsequently to another, while the prior application is pending, disclosing all or a substantial part of the subject-matter of the prior application and containing claims to subject-matter common to both applications, both being filed by the same inventor or his legal representative."); 2 *Walker on Patents* § 184, p. 873, Deller's Ed. (1937).

paragraph of section 112," section 120 speaks of the first paragraph of section 112 as a whole. Indeed, the CCPA has stated that:

> symmetry in the law, and evenness of its application, require that *§ 120* be held *applicable to all bases for rejection*, that its words "same effect" be given their full meaning and intent.

Hogan, 559 F.2d at 604, 194 USPQ at 535 (emphasis added). *See also Racing Strollers*, 878 F.2d at 1419, 11 USPQ2d at 1301 ("This paragraph [first of § 112], therefore, is an integral part of § 120").

Section 120 thus does not exempt the best mode requirement from its reach, and therefore this court must accept the plain and precise language of section 120 as encompassing the same. Accordingly, the date for evaluating a best mode disclosure in a continuing application is the date of the earlier application with respect to common subject matter.[6/] *Accord Sylgab Steel and Wire Corp. v. Imoco-Gateway Corp.*, 357 F. Supp. 657, 658-59, 178 USPQ 22, 23-24 (N.D. Ill. 1973); *Johns-Manville Corp. v. Guardian Indus. Corp.*, 586 F. Supp. 1034, 1065, 221 USPQ 319, 334 (E.D. Mich. 1983), *amended*, 223 USPQ 974 (1984), *aff'd*, 770 F.2d 178 (Fed. Cir. 1985) (TABLE).

6/ However, as mentioned earlier, a continuing application is entitled to rely on the filing date of an earlier application only with respect to subject matter common to both applications. The PTO acknowledges this principle in its discussion of CIP applications in the MPEP:

> Any claim in a continuation-in-part application which is directed *solely* to subject matter adequately disclosed under 35 U.S.C. 112 in the parent application is entitled to the benefit of the filing date of the parent application. However, if a claim in a continuation-in-part application recites a feature which was not disclosed or adequately supported by a proper disclosure under 35 U.S.C. 112 in the parent application, but which was first introduced or adequately supported in the continuation-in-part application such a claim is entitled only to the filing date of the continuation-in-part application.

MPEP § 201.11. *See* P.J. Federico, "Commentary on the New Patent Act," 35 U.S.C.A. § 1 (1954), pp. 31-33.

We note by analogy the manner in which the best mode requirement has been examined in other contexts. It has been held that the appropriate date for determining compliance with the best mode requirement for a reissue application is the filing date of the original application and not that of the reissue application. *Dow Chemical Co. v. American Cyanamid Co.*, 615 F. Supp. 471, 482, 229 USPQ 171, 179 (E.D. La. 1985), *aff'd*, 816 F.2d 617, 2 USPQ2d 1350 (Fed. Cir. 1987), *cert. denied*, 484 U.S. 849 (1987). In a similar vein, it has been held that, in the context of a priority claim under 35 U.S.C. § 119, one looks to the foreign application and its filing date to determine the adequacy of the best mode disclosure and not to the filing date of the corresponding U.S. application.7/ *Tyler Refrigeration Corp. v. Kysor Indus. Corp.*, 601 F. Supp. 590, 605, 225 USPQ 492, 504 (D. Del. 1985), *aff'd*, 777 F.2d 687, 227 USPQ 845 (Fed. Cir. 1985). *See also Standard Oil Co. v. Montedison, S.p.A.*, 494 F. Supp. 370, 388, 206 USPQ 676, 696 (D. Del. 1980), *aff'd*, 664 F.2d 356, 212 USPQ 327 (3d Cir.), *cert. denied*, 456 U.S. 915 (1982). We see no reason for treating the best mode issue any differently under section 120.

Contrary to Transco's assertions, public policy does not demand that the public receive a new best mode disclosure in all continuing applications. Such a rule would subvert the patent system's goal of promoting the useful arts through encouraging early disclosure. An inventor's motivation to file early and then continue to test and improve upon his invention would be stifled by the knowledge that any progress that he made could preclude him from enjoying the procedural benefits available through continuing application practice. If he later developed better modes for

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7/ In *In re Gosteli*, 872 F.2d 1008, 1011, 10 USPQ2d 1614, 1616 (Fed. Cir. 1989), this court stated:

> Section 119 provides that a foreign application "shall have the same effect" as if it had been filed in the United States. 35 U.S.C. § 119. Accordingly, if the effective filing date of what is claimed in a United States application is at issue, to preserve symmetry of treatment between sections 120 and 119, the foreign priority application must be examined to ascertain if it supports, within the meaning of section 112, ¶ 1, what is claimed in the United States application.

practicing an invention adequately disclosed in an earlier filed application, he would nonetheless have to redraft his disclosure to add these later-developments upon filing a continuing application.

The district court's comments regarding continuing application practice and new matter illustrate a misunderstanding of patent law and patent office practice. The subject matter that the district court believes Pinsky should have disclosed in his continuation application would clearly have constituted "new matter" pursuant to 35 U.S.C. § 132, 37 C.F.R. § 1.118, and MPEP §§ 608.04(a)-(c) and 706.03(o). It must be understood that the introduction of a new best mode disclosure would constitute the injection of "new matter" into the application and automatically deprive the applicant of the benefit of the earlier filing date of the parent or original application for any claim whose validity rests on the new best mode disclosure.

Moreover, imagine the practical implications if an applicant were forced to update the best mode disclosure upon each filing of a continuing application. Under current practice, the filing of many, if not most, continuing applications is merely a matter of form not requiring any input from the inventor.[8/] The best mode requirement, however, focuses on what the inventor knows. Thus, under the district court's holding, an attorney would necessarily be forced to discuss with an inventor any progress that has been made regarding the invention each time that a continuing application is filed, even when it is being filed merely for administrative convenience. This result would be completely contrary to current continuing application practice.

Furthermore, given that much of continuing application practice stems from actions taken by the PTO, it would be unfair to impose upon applicants an additional best mode burden. For example, when confronted with an application claiming more than

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8/ Rule 62 allows an applicant to file a continuing application simply by paying a fee and declaring that it is being filed pursuant to section 120. No oath or declaration involving representations to the PTO must be filed. Under rule 60, one merely needs to provide a photocopy of the declaration in the earlier application.

one independent and distinct invention, an examiner often will impose a restriction requirement pursuant to 35 U.S.C. § 121 to ease the burden of examining that subject matter, thus forcing an applicant to file one or more divisional applications. In addition, an examiner also will often issue a final rejection and indicate that, if certain amendments are made to the claims in a continuation application filed pursuant to the streamlined procedures set forth in Rule 62, the examiner will allow those claims and pass them to issuance. Actions such as these, taken by the PTO primarily for administrative convenience, should not increase the burdens on an applicant regarding his ability to obtain patent protection.

Indeed, in this case, Pinsky filed his continuation application merely for the purpose of having the examiner consider an amendment to the claims proposed after final rejection in the parent application, but which was not entered in the parent application on the basis that it did not meet the procedural requirements of 37 CFR § 1.116. This is not an atypical chain of events. To impose upon an applicant the burden of updating the best mode disclosure under this type of circumstance would be unreasonable.[9/]

In conclusion, because the relevant date for evaluating a best mode disclosure is the date of the parent application, and because there is no dispute that Pinsky did not believe that the use of steel hooks and longitudinal fasteners constituted the best mode for practicing the claimed invention at the time Pinsky filed his parent application, reversal of these two best mode holdings is necessitated.

9/ We view the fact that there have been relatively few cases to date addressing whether the best mode disclosure must be updated in a continuing application, as to common subject matter, as evidencing how widely accepted it is that there is no such requirement, not that this is an unclear or unresolved issue as Transco and the district court suggest.

III. Cloth Finish

A. Background

The district court also found that Pinsky violated the best mode requirement by failing to provide supplier/trade name information for the finished glass cloth used in the preferred embodiment of his invention at the time he filed his parent application. The Pinsky patent provides the following description of the cloth at column 2, lines 32-45 (emphasis added):

> The finish employed in this invention can vary widely. Generally, the finish is a *leachable, organic silicate carried in a fatty and mineral oil vehicle.* The finished fabric meets the requirements of U.S. Navy specification Mil-I-24244 with regard to chemical analysis and chemical resistance of materials used in the insulation of stainless steel, as well as the requirements of Coast Guard specification CFL-164.009 relating to incombustible materials. The glass cloth of this invention can withstand repeated wettings from spray systems within reactor containment areas of nuclear power plants and can withstand temperatures of 700°F for at least 40 years.

The district court found the foregoing description of the finished glass cloth deficient in that Pinsky did not additionally disclose that the preferred cloth was Burlington Industries' 603A cloth, which was supplier/trade name information that Pinsky knew at the time of filing his parent application.[10/] For the reasons set forth below, we hold that the district court committed legal error when it resolved in this case, on summary judgment, a dispute as to a genuine issue of material fact, namely the adequacy of Pinsky's disclosure. We therefore vacate this part of the district

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10/ As a practical matter, we note that Examiners often require that a *generic* description be inserted in place of, or in addition to, a trade name, on the basis that trade names may, over time, come to represent different things. The arguments here appear to assume that the opposite is the case.

court's decision and remand this issue to the district court for trial.

B. Best Mode Requirement

The determination as to whether the best mode requirement has been satisfied is a question of fact. *Spectra-Physics, Inc. v. Coherent, Inc.*, 827 F.2d 1524, 1535-36, 3 USPQ2d 1737, 1745 (Fed. Cir.), *cert. denied*, 484 U.S. 954 (1987); *McGill Inc. v. John Zink Co.*, 736 F.2d 666, 676, 221 USPQ 944, 951 (Fed. Cir.), *cert. denied*, 469 U.S. 1037 (1984). The purpose of the best mode requirement is to "restrain inventors from applying for patents while at the same time concealing from the public preferred embodiments of their invention which they have in fact conceived." *In re Gay*, 309 F.2d 769, 772, 135 USPQ 311, 315 (CCPA 1962). A holding of the invalidity for failure to disclose the best mode requires clear and convincing evidence that the inventor both knew of and concealed a better mode of carrying out the claimed invention than was set forth in the specification. *Scripps Clinic & Research Found. v. Genentech, Inc.*, 927 F.2d 1565, 1578, 18 USPQ2d 1001, 1012 (Fed. Cir. 1991). The burden of establishing invalidity by this standard lies with the party seeking such a holding, which in this case is Transco.

In *Chemcast Corp. v. Arco Industrial Corp.*, 913 F.2d 923, 16 USPQ2d 1033 (Fed. Cir. 1990), this court described the analysis to be employed in determining compliance with the best mode requirement as involving two steps. The first, which is wholly subjective, involves determining whether the inventor knew of a mode of practicing the claimed invention that he considered to be better than any other at the time he filed his application. If the inventor contemplated such a preferred mode, the second step is to compare what he knew with what he disclosed to determine whether the disclosure is adequate to enable one skilled in the art to practice the best mode. The second step, which involves assessing the adequacy of the disclosure, is largely an objective inquiry that depends upon the scope of the claimed invention and the level of skill in the art. *Chemcast*, 913 F.2d at 927, 16 USPQ2d at 1036-

37 (Fed. Cir. 1990). Even where there is a general reference to the best mode of practicing the claimed invention, the quality of the disclosure may be so poor as to effectively conceal it. *Randomex Inc. v. Scopus Corp.*, 849 F.2d 585, 587, 7 USPQ2d 1050, 1052 (Fed. Cir. 1988); *see In re Sherwood*, 613 F.2d 809, 816, 204 USPQ 537, 544 (CCPA 1980), *cert. denied*, 450 U.S. 994 (1981).

However, the best mode requirement does not require an inventor to disclose production details so long as the means to carry out the invention are disclosed. *Wahl Instruments, Inc. v. Acvious, Inc.*, 950 F.2d 1575, 1580, 21 USPQ2d 1123, 1127 (Fed. Cir. 1991); *see also In re Gay*, 309 F.2d at 774, 135 USPQ at 316. This includes providing supplier/trade name information where it is not needed, i.e., where such information would be "mere surplusage – an addition to the generic description." *Randomex*, 849 F.2d at 590, 7 USPQ2d at 1054. Such supplier/trade name information must be provided only when a skilled artisan could not practice the best mode of the claimed invention absent this information. *See Chemcast*, 913 F.2d 923, 16 USPQ2d 1033 (patentee failed to disclose specific composition of preferred material or fact that it possessed a specific hardness, instead merely supplying a very general description of the material and a broad hardness range, thus effectively concealing the best mode).

C. Analysis

This case comes before us from a grant of summary judgment, and therefore, as stated previously, our review must focus on whether the district court improperly determined any genuine issue of material fact or committed any other legal error.

Performance does not dispute that Pinsky believed at the time that he filed the parent application that the use of a finished glass cloth like Burlington's 603A cloth constituted the best mode of practicing the claimed invention. The first part of *Chemcast*'s two-step analysis therefore has been satisfied. Thus, the pertinent part of the *Chemcast* analysis at issue in this case is the second part dealing with the adequacy of Pinsky's disclosure. As will be illustrated below, there clearly existed before the district court a dis-

pute as to the adequacy of Pinsky's disclosure, and the district court improperly resolved this issue on summary judgment.

We note at the outset that the district court concluded that "Transco's motion for summary judgment must be denied to the extent that it asserts a failure to disclose the best mode due to an inaccurate description of the invention." The district court was of the opinion that the evidence of record, viewed in the light most favorable to Performance, adequately supported Performance's position that the description of the finished glass cloth provided in the specification would have apprised one of ordinary skill in the art at the time of filing the parent application of the composition and the pertinent properties required for the finished glass cloth according to the best mode of the claimed invention.

The district court concluded, however, that it was not sufficient in this particular case that one of ordinary skill in the art would have understood the description and known what was needed to practice the best mode. The district court reasoned that the availability to the public of Burlington's 603A cloth prevented Pinsky's description from rising to the level of an adequate disclosure of the best mode. In particular, the district court stated:

> the problem confronting Performance Contracting is that although the skilled artisan could presumably have practiced the art if he or she were actually furnished a product that had the characteristics set out in the generic description, there is no showing that the mere statement of those characteristics would enable the skilled person to replicate the fabric. Hence Pinsky's nondisclosure of the source for the best mode material is the equivalent of concealment if that source was not otherwise known.

Transco, 821 F. Supp. at 546 n.13, 28 USPQ2d at 1745 n.13. The district court believed that *Chemcast* and *Wahl* require that both a generic description *and* supplier/trade name information be provided in a case such as this.

Performance argues that the court effectively held there to be a per se rule that supplier/trade name information be provided,

when available, for a disclosure to be adequate for purposes of the best mode requirement. We disagree. The district court correctly noted that there is no such per se rule. *Transco*, 821 F. Supp. at 546, 28 USPQ2d at 1745. *See Wahl*, 950 F.2d at 1583 n.4, 21 USPQ2d at 1130 n.4; *Randomex*, 849 F.2d at 587, 7 USPQ2d at 1054. Contrary to Performance's assertions, the district court merely held that it believed supplier/trade name information should have been disclosed in this particular case. Even so, the district court erred in finding on summary judgment that such commercial information should have been provided in this particular case for Pinsky's disclosure to satisfy the adequacy prong of *Chemcast*'s two-part test, as this was a fact issue highly disputed. The record evidence before the district court included a July 24, 1992, affidavit by a Mr. Vaughn, the director of research and development of Clark-Schwebel Fiber Glass Corp., one of the three major suppliers of finished glass cloth in the country. Vaughn's affidavit states, in particular, that "the description 'glass cloth having a finish of a leachable, organic silicate carried in a fatty and mineral oil vehicle' that is known to meet Mil-I-24244 and CFL-164.009 is an *accurate description* of glass cloth with a 603A finish" and is one "that *one* of ordinary skill in the art of finishes for glass cloth now, and *in 1973, would understand to be a generic description of a 603A finish*." (emphasis added).[11/] Vaughn's affidavit also states that the 603A finish "became a production finish on 10/13/72," which is corroborated by a September 12, 1983, letter from a Burlington attorney to Owens-Corning.

Also of record is a February 23, 1993, affidavit by Pinsky stating in pertinent part:

> One of ordinary skill in the fiberglass cloth art in 1973 and 1974 would know that the generic terminology used in my patent application applied to the

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11/ Transco attacks Vaughn's testimony by characterizing it as "conclusory" and "lawyer generated" and by suggesting that, because Vaughn's employer supplies glass cloth to Performance, Vaughn has an "interest" in this case. Such concerns, however, carry little to no weight at the summary judgment stage, and in any event there is no suggestion in the district court's opinion that it found Vaughn's affidavit suspect.

> Burlington 603A finished cloth, and its equivalents. In 1973 and 1974 there were only a handful of significant fiberglass cloth manufacturers; the only three of any size were Burlington, J.P. Stevens, and Clark-Schwebel, and all three of these were well known to those seeking to purchase glass cloth for industrial applications.

Pinsky also testified in this affidavit, as well as in one dated July 24, 1992, that the only reason he considered use of the 603A cloth to be the best mode of practicing his invention was because this cloth possessed the necessary properties to comply with government specifications. Pinsky further testified by deposition on September 12, 1991, that Burlington's 603A product was "commercially available in 1973. You could issue a purchase order and they would sell it to you."

Rebuttal evidence included an affidavit of a Mr. Avery, the President of Transco, stating that "[i]n 1971-1974, I was someone skilled in the art of insulation" and that "[i]n the 1971-1974 time period and continuing to this day, I, and everyone I know in this industry, save Mr. Pinsky, have no idea (1) what a glass fabric is that has a finish of a leachable organic silicate carried in a fatty and mineral oil vehicle and that meets U.S. Navy Specification Mil-I-24244 and CFL-164.009 and (2) who makes and sells such a glass fabric." Avery's affidavit also takes specific issue with Vaughn's testimony. Performance counters that Avery is not technically qualified in the art and knows nothing about finishes.

Performance contends that, at the very least, the evidence it presented before the district court was sufficient to preclude summary judgment. We agree. The evidence outlined above illustrates that the district court was faced with a dispute as to a genuine issue of a material fact, namely, the adequacy of Pinsky's disclosure. As discussed previously, there must be no such disputes for summary judgment to be appropriate. Therefore, the district court committed legal error by resolving this issue on summary judgment.

Notwithstanding the foregoing, we feel compelled to comment on the district court's concerns about the availability of the

Burlington 603A cloth. The district court has imposed on Performance not only the burden of establishing that a skilled artisan would have understood what was needed to practice the best mode, but also the burden of establishing that the skilled artisan could actually have replicated or obtained the material needed to practice the best mode. Although there may be factual scenarios in which the latter burden would be reasonable, caution should be exercised in imposing such a burden. Otherwise, such a burden ultimately evolves into a per se rule that supplier/trade name information must be disclosed or that an application become a production specification, a result clearly contrary to law.

As recognized in *Wahl*, 950 F.2d at 1579, 21 USPQ2d at 1127, an "inventor's manufacturing materials or sources or techniques used to make a device may vary from wholly irrelevant to critical." Even so, if Pinsky's generic description in this case is indeed sufficient to have apprised a skilled artisan of what was needed to practice the best mode of the invention during the relevant time period, and, if there were indeed a limited number of sources of industrial products of the type required at that time, then it is an entirely defensible position, if not an ultimately convincing one, that a skilled artisan could easily have procured the necessary material to practice the invention. For the above reasons, the decision of the district court on this issue is vacated and the case remanded for further proceedings consistent herewith.

CONCLUSION

The decision of the district court is

REVERSED-IN-PART, VACATED-IN-PART
AND REMANDED-IN-PART.

COSTS

Each party to bear its own costs.

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

TRANSCO PRODUCTS INC,	)	
	)	
Plaintiff,	)	
	)	
v.	)	No. 89 C 8001
	)	
PERFORMANCE CONTRACTING, INC. and PERFORMANCE CONTRACTING GROUP, INC.,	)	
	)	
Defendants.	)	

MEMORANDUM OPINION AND ORDER

This Court has now been thrice blessed (?) with what have been labeled summary judgment motions in this action between Transco Products Inc. ("Transco") and Performance Contracting, Inc. and Performance Contracting Group, Inc. (collectively "Performance Contracting," treated as a singular noun). Although the first two sets of submissions did not lead to a definitive resolution of the lawsuit, this third time proves the charm.

Transco originally filed suit (1) seeking a declaratory judgment of invalidity, noninfringement and unenforceability of United States Patent No. 4,009,735 (the "Pinsky patent") owned by Performance Contracting, and (2) relatedly charging Performance Contracting with infringement of Transco's United States Patent No. 3,941,159 (the "Toll patent"). Performance Contracting counterclaimed, seeking a declaratory judgment of invalidity and unenforceability of the Toll patent and charging Transco with infringement of the Pinsky patent.

This Court's May 12, 1992 "Opinion 1" (792 F.Supp. 594) (1) denied Performance Contracting's motion for summary judgment on the issue of invalidity of the Toll patent and (2) granted

Performance Contracting's motion for summary judgment as to its noninfringement of the Toll patent. Then the January 28, 1993 "Opinion 2" (813 F.Supp. 613) dealt with another set of cross-motions, this time respectively seeking a judgment of infringement or noninfringement of the Pinsky patent by Transco's products. Opinion 2 denied both those motions.[1]

In briefing that last set of motions, Transco raised but did not squarely address the possibility of the Pinsky patent's invalidity because of its noncompliance with 35 U.S.C. §112 ("Section 112"): that is, whether inventor Pinsky had failed to disclose the best mode of practicing the invention. At this Court's request the parties have now confronted that issue in the form of Transco's motion for partial summary judgment under Fed. R. Civ. P. ("Rule") 56,[2] asserting invalidity of the Pinsky patent on that ground. Their briefing has been more extensive than the three-memorandum pattern normally followed on any motion other than simultaneous cross-motions:

1. On February 10, 1993 each side submitted an initial memorandum: Transco's (cited "P. Mem. 1 at —") in support of its Rule 56 motion, and Performance Contracting's (its "D. Mem. 1") also addressing the best mode question.

2. On February 24 Performance Contracting filed its memorandum (cited "D. Mem. 2 at —") in opposition to Transco's summary judgment motion.[3]

3. On March 15 Transco filed its reply memorandum (cited

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[1] Opinion 2 will be cited here as "Opinion 2 at —," referring to the page number but omitting the F. Supp. volume number.

[2] Even though Transco has labeled its motion for summary judgment as "partial," this opinion's ruling in its favor spells an end to this litigation.

[3] Although Performance Contracting suggests in D. Mem. 2 at 3 "that summary judgment that the Pinsky patent *fulfills* the best mode requirements should be entered," it has not filed this District Court's required General Rule 12(m) statement in support of such a judgment, nor has it styled any of its written submissions as being supportive of a motion to that effect. At best, then, its suggestion of summary judgment in its favor could be treated as an invitation to this Court to enter such a ruling sua sponte.

"P. Mem. 2 at —") in support of its motion.

4. Finally, Performance Contracting requested and was granted leave to file a surreply memorandum, which it submitted on April 9.

Based on its consideration of all the parties' filings, this Court grants Transco's motion.

Rule 56 Standards

Rule 56 principles impose on the movant the burden of establishing the lack of a genuine issue of material fact (*Celotex Corp. v. Catrett*, 477 U.S. 317, 322-23 (1986)). For that purpose this Court is "not required to draw every conceivable inference from the record—only those inferences that are reasonable"—in the light most favorable to the nonmovant (in this case Performance Contracting) (*Bank Leumi Le-Israel, B.M. v. Lee*, 928 F.2d 232, 236 (7th Cir. 1991) (citations omitted)).

This District Court's General Rules 12(m) and 12(n) require factual statements in support of and in opposition to Rule 56 motions, and both sides have once again tendered such statements.[4] Transco's statement in support of its motion is cited as "P. 12(m) —," while Performance Contracting's responsive statement is cited as "D. 12(n) ¶ —."

Facts

On October 2, 1974 Gordon Pinsky ("Pinsky") filed a continuation of his original October 24, 1973 application with the United States Patent Office covering a pipe insulation design (P. 12(m), D. 12(n) ¶¶4, 5). On March 1, 1977 the Pinsky "Thermal

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[4] Because this is not the first time that the parties have returned to the well, it might have created some confusion with Opinion 2 if the current statements had again begun from ground zero. Instead the parties have sensibly begun numbering the paragraphs in their statements in support of and in opposition to Transco's current motion at the point where the last set of statements left off.

Insulation" patent (the "Pinsky patent") issued, containing these four claims (P. Ex. 35, col. 4):

> 1. Readily removable and replaceable rewettable thermal insulation for use on vessels and piping within reactor containment areas of nuclear power plants comprising high temperature resistant mineral fiber or glass fiber encapsulated within rewettable, high temperature resistant, asbestos free glass cloth held in place with a plurality of spaced quick release and engage fasteners, wherein the glass cloth can withstand repeated wettings from spray systems within the reactor containment areas of nuclear power plants and wherein the fasteners are two woven nylon, hook and loop mating strips, wherein the glass cloth has a finish of a leachable, organic silicate carried in a fatty and mineral oil vehicle.
>
> 2. Thermal insulation according to claim 1 wherein the encapsulated fiber is a fine fiber and is in the form of tangled or felted mats.
>
> 3. Thermal insulation according to claim 2 wherein the mats are quilted.
>
> 4. Thermal insulation according to claim 1 wherein the strips comprise a hook strip covered with stiff little hooks and a loop strip covered with tiny, soft loops.

Transco began marketing blanket-type insulation for nuclear power plant containment areas as early as 1982 (D. Ex. M). In three letters dated February 13, March 8 and September 11, 1989 (Complaint Exs. B, C, D) Performance Contracting notified Transco that it believed Transco was infringing the Pinsky patent. That led to Transco's October 25, 1989 Complaint in this action.

Best Mode

In exchange for the fixed term of monopoly rights granted by the patent laws, Section 112 requires that "[t]he specification shall contain a written description of the invention...and shall set forth the best mode contemplated by the inventor of carrying out his invention." Its "purpose...is to restrain inventors from applying for

a patent while at the same time *concealing* from the public preferred embodiments of their inventions which they have in fact conceived" (*Wahl Instruments, Inc. v. Acvious, Inc.*, 950 F.2d 1575, 1579 (Fed. Cir. 1991)). There are two steps to a best mode analysis (*Chemcast Corp. v. Arco Industries Corp.*, 913 F.2d 923, 927-28 (Fed. Cir. 1990)):

> The first is whether, at the time the inventor filed his patent application, he knew of a mode of practicing his claimed invention that he considered to be better than any other. This part of the inquiry is wholly subjective, and resolves whether the inventor must disclose any facts in addition to those sufficient for enablement. If the inventor in fact contemplated such a preferred mode, the second part of the analysis compares what he knew with what he disclosed—is the disclosure adequate to enable one skilled in the art to practice the best mode or, in other words, has the inventor "concealed" his preferred mode from the "public"? Assessing the *adequacy* of the disclosure, as opposed to its *necessity*, is largely an objective inquiry that depends upon the scope of the claimed invention and the level of skill in the art.

Transco contends that the best mode requirement was violated by the Pinsky patent's failure to disclose several elements of Pinsky's preferred mode of practicing the invention:

1. Burlington Industries' cloth with what was called its "603A" finish (P. 12(m) ¶70);

2. placement of the fastener parallel to, rather than perpendicular to, the junction of the insulation (P. 12(m) ¶75);

3. a fabric flap carrying one of the mating strips over to meet the other (*id.*);

4. stainless steel hooks in the fastener strips (P. 12(m) ¶85); and

5. a fiberglass scrim placed between the glass wool batt and the glass cover (P. 12(m) ¶¶95-96).

Those elements are considered here in turn.

1. **Burlington Industries' Cloth with 603A Finish**

Transco asserts that before Pinsky filed the original October 23, 1973 application both he and his attorney knew that the fabric Pinsky preferred to use was Burlington Industries' glass cloth with a 603A finish (P. Mem. 1 at 5, citing several evidentiary sources). But instead of the patent specification naming the 603A cloth, it merely described glass cloth with "a finish of a leachable, organic silicate carried in a fatty and mineral oil vehicle" (P. Ex. 35, col. 4). Pinsky had arrived at that description by sending a sample to his employer Owens Corning's laboratories (P. Ex. 67, Pinsky 9-12-91 Dep. 261).

Pinsky acknowledged that when the original application was filed he thought that the Burlington Industries cloth with a 603A finish "was the product that had the greatest possibility of working" (P. Ex. 54, Pinsky 9-12-91 Dep. 371). When asked whether he knew of any other finish that would work, Pinsky replied (P. Ex. 67, Pinsky 9-12-91 Dep. 332):

> I was not an expert in finishes. I didn't have any real particular thought. There may or may not have been other finishes or other things in the future that could work, or a combination or changes or verifications, but I didn't have any particular knowledge this one worked. This is the one we were going with.

Performance Contracting admits that the 603A fabric was Pinsky's best contemplated mode of practicing the invention (D. 12(n) ¶¶ 56-58). Nonetheless it insists that the second element of the best mode requirement was satisfied because the generic description of the finish ("a leachable, organic silicate carried in a fatty and mineral oil vehicle") was "adequate to enable one skilled in the art to practice the best mode" (see *Chemcast*, 913 F.2d at 928). It contends that the quoted description "would be understood by one of ordinary skill in the art of finishes for glass cloth in 1973 to be a generic description of Burlington cloth with a 603A finish" (D. Mem. 2 at 4). Performance Contracting points out that Pinsky also disclosed the reason that the finish was important: to allow it to meet the requirements of Mil-I-24244 and CFL-164.009 (D. Mem. 2 at 5, citing Pinsky February 23, 1993 Aff.

¶¶ 9, 10).[5] Transco argues in response that the description of the finish would not allow one skilled in the art to practice the best mode on two separate grounds:

1. the description of the finish was incorrect; and

2. even if the description of the finish were viewed as accurate, the fabric was not generally known to the public and hence was not generally available absent an express disclosure that it was the best mode.

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5 Pinsky suggests in Paragraph 10 of that affidavit that he did not view the glass cloth and finish as part of his invention. Although Performance Contracting's memoranda do not pose the argument in just these terms, if the cloth and finish were not in fact integral to making and carrying out the best mode of Pinsky's claimed invention, then *Christianson v. Colt Indus. Operating Corp.*, 870 F.2d 1292, 1301 (7th Cir. 1989) and *Randomex Inc. v. Scopus Corp.*, 849 F.2d 585, 588-89 (Fed. Cir. 1988) make it clear that no best mode problem would exist. But this Court cannot credit Pinsky's apparent current change of heart along those lines in light of no fewer than three earlier statements to the contrary, all of them antedating this Court's inquiry that triggered the current motion, which made the issue relevant in the "best mode" context:

1. Pinsky's July 24, 1992 affidavit (P. Ex. 40 ¶11 at 7) had said:

> Because I knew in the nuclear power plant environment fire safety was important, and stress corrosion cracking must be prevented, it was essential to me that any finish on the glass cloth meet the stress corrosion requirement, and desirably be incombustible.

2. That statement was confirmatory of the patent specification itself, which had made clear the importance of the cloth's characteristics (P. Ex. 35, col. 2):

> The finished fabric meets the requirements of U.S. Navy specification Mil-I-24244 with regard to chemical analysis and chemical resistance of materials used in the insulation of stainless steel, as well as the requirements of Coast Guard specification CFL-164.009 relating to incombustible materials. The glass cloth of this invention can withstand repeated wettings from spray systems within reactor containment areas of nuclear power plants and can withstand temperatures of 700 F. for at least 40 years.

3. To the same effect, the Reexamination Request of September 11, 1984 stressed the unique properties of the cloth (P. Ex. 61 at 5).

A. **Inaccurate Description**

Transco initially maintains that description of the finish in Claim 1 of the Pinsky patent was inaccurate and misleading (P. Mem. 1 at 6). On May 16, 1983 Burlington Industries' plant chemist Charles Jones wrote a letter to Transco (P. Ex. 43 at I)[6] describing the 603A finish as:

> involv[ing] burning off any binders and lubricants that are contained on the suppliers yarns and adding an inorganic silicate and a softener as indicated on the MSDS. This finishing technique enables the fabric to meet all the requirements of Mil C-20079, Mil I-24244B, and NRC Guide 1.36.

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6 Performance Contracting argues that the letter from Charles Jones is "not evidence" because it is "unauthenticated" (D. 12(n) ¶ 63). Transco responds that the letter "is clearly a business record" (P. Mem. 2 at 9 n. 3). Although Transco has not disclosed the nature of the inquiry made to Jones, the letter seems to have been written not in the ordinary course of business but in response to Transco's inquiries for purposes of preparation for litigation. Even so, Performance Contracting's bare objection to the letter as unauthenticated cannot stand without a serious contention that the letter is a fake—something that Performance Contracting has not suggested.

Performance Contracting also says that the letter does not advance Transco's argument because "it merely responds to the question regarding if something was added 'to enhance the resistance to deterioration by the acidic contaminant spray,' which is not the purpose of the finish" (D. 12(n) ¶ 63). Transco responds with evidence of the high acidity of the nuclear wash down system (P. Mem. 2 at 9 n. 3, citing D. Ex. 1 at ¶ 3.1, P. Ex. 63 at 200674), and it also cites the Reexamination File Wrapper stating that the finish is added to "prevent and eliminate stress corrosion cracking" (P. Ex. 61). In addition, Performance Contracting ignores the last sentence in that same paragraph, which states that "With these type finish, they would not qualify under the prior mentioned specs" (P. Ex. 43)—that is, Mil C-20079, Mil I-24244B, and NRC Guide 1.36.

Testimony from Jack Waddington of JPS Glass Fabrics, the weaver and finisher of the 9383 cloth used by Transco and considered by suppliers to be the equivalent of the 603A finished cloth, was essentially similar to Jones' statement. Waddington testified that JPS Glass does not put on a finish of "a leachable, organic silicate carried in a fatty and mineral oil vehicle" (P. Ex. 58, Waddington Dep. 73). Waddington explained that the finish is not a process of adding anything to the fabric at all. Instead it is a process of heating the fabric to "remove any oils and lubricants that either PPG or ourselves have put on there so that when these things go into those hot areas, we don't have any smoke" (*id.* at 38).

* * *

> In relation to the addition of an organic silicate and fatty mineral vehicle to enhance the resistance to deterioration by the acidic containment spray, I am not familiar with the use of such products for this purpose....With these type finish, they would not qualify under the prior mentioned specs.

Transco also presents the affidavit of its President Elliot Avery, who states (P. Ex. 60 ¶ 6):

> We have dealt with people in the glass cloth industry and I am aware of no one today or in 1973 who knows what this description...is for.

Lastly Transco cites the admissions by Pinsky and Dennis Vaughan (director of research and development of Clark-Schwebel Fiber Glass Corp.) that there really is no such thing as an "organic silicate" (P. Ex. 40 ¶11, P. Ex. 41 ¶3).

To counter that evidence Performance Contracting cites to the July 24, 1992 affidavits of Pinsky (P. Ex. 40 ¶11) and Dennis Vaughan (P. Ex. 41 ¶3), both of whom assert that one of ordinary skill in the art of finishes for glass cloth in 1973 would have understood "a leachable organic silicate carried in a fatty and mineral oil vehicle" to be a generic description that embraces Burlington Industries' 603A cloth.[7] Vaughan explained (*id.*):

> The 603A finished cloth has fatty and mineral oil organic components that remain on the cloth (although not enough to prevent it from meeting CFL-164.009), and the silicate is not "inorganic sodium silicate," and as clearly demonstrated by the test results which show 603A finished cloth meets Mil-I-

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[7] Transco takes a different perspective as to the relevant "art" for purposes of inquiring what the hypothetical person of ordinary skill would have known: It argues for the art of making insulation blanket products for pipes (P. Mem. 1 at 7). But Transco cites no support for that position, and the case law is stacked against it (see, e.g., ***Wahl Instruments***, 950 F.2d at 1581; ***In re Naquin***, 398 F.2d 863, 866 (C.C.P.A. 1968) ("When an invention, in its different aspects, involves distinct arts, that specification is adequate which enables the adepts of each art, those who have the best chance of being enabled, to carry out the aspect proper to their specialty")).

> 24244, the finished cloth has silicate [ ] in the form that will leach.

Pinsky's own admission that "I was not an expert in finishes" (P. Ex. 67, Pinsky 9-12-91 Dep. 332) casts doubt on the reliability of his own affidavit in that regard. But for purposes of Transco's motion, reasonable inferences must be drawn in favor of Vaughan's affidavit that one of ordinary skill in the art of glass finishes would understand the description "a leachable, organic silicate carried in a fatty and mineral oil vehicle" to be a generic description for the Burlington Industries' 603A cloth. Thus Transco's motion for summary judgment must be denied to the extent that it asserts a failure to disclose the best mode due to an inaccurate description of the preferred finish.

B. **Availability of Product to Public**

As already indicated, the second aspect of Transco's argument as to the 603A finish is that Pinsky had a duty to disclose the maker of the fabric because the finish itself was not generally known to the public. In that respect Pinsky testified (P. Ex. 54, Pinsky 9-12-91 Dep. 333) that at the time Burlington came out with the 603A fabric:[8]

> [T]hey were the only supplier. Other people were going to come into market and try to come up with variations, and there may be different variations of that.

Pinsky also stated (P. Ex. 67, Pinsky 9-12-91 Dep. 328, 330-31) that the Burlington fabric was:

> a new product that they were in the final phases of introducing, or had introduced just recently or something. It was not a general industry-wide familiar product. He said something to the effect of it's very convenient because we think we've got a product now that will be able to do what you need. We've been doing some testing and development, and we think we

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8 Burlington's fabric with 603A finish "became a production finish on 10/13/72" (P. Ex. 62 at 5).

> can get you something that will work.
>
> * * *
>
> Mr. Ivers had none of his standard literature which displayed these products in it. He had lots of standard literature on products. This is one there was no published literature on. It was a new product. I have no reason to believe that he ever made this particular combination and sold it to anyone else.
>
> * * *
>
> Burlington was not mass marketing the product. That's my understanding.

Transco also suggests that Owens Corning concealed the identity of the cloth from the Patent and Trademark Office and the public: Rather than identifying the source of the material, Owens Corning Fiberglas' 1977 Topical Report Glossary (P. Ex. 48 at A-6), states:

> [T]he outer cover cloth for this blanket is produced specifically for the Owens-Corning Fiberglas Containment System.

Although Performance Contracting denies that the 603A finish was not well-known in 1973 (D. 12(n) ¶ 66), it cites as evidence only the 1991 affidavit of Dennis Vaughan (P. Ex. 41). Although Vaughan expressed his then familiarity with the 603A finish, he did not state when he or anyone else first learned about the product. Thus his testimony provides no support at all for Performance Contracting's denial.

Chemcast, 913 F.2d at 929 made clear that "disclosing a list of generic potential materials" may not always be "an adequate disclosure of the best mode." In that case the grommet used in the invention at issue was specifically created by another company for the inventor's use. As was true with Burlington's 603A cloth and Pinsky, it was the *only* embodiment known to the inventor when the patent application was filed (*id.*). Indeed, it was the only type of grommet that the inventor in *Chemcast* ever used in the invention. Rather than disclosing the specific properties and the manufacturer of the grommet, however, the specification merely described a general range of hardness within which the grommet

fell. Finding that inadequate, *Chemcast, id.* (citation omitted) stated:

> That "at least eight other PVC composition suppliers [ ] could have formulated satisfactory materials for the dual durometer grommet" does not, as Chemcast urges, excuse Rubright's concealment of his preferred material, and the only one of which he was aware. Again Chemcast confuses enablement and best mode. The question is not whether those skilled in the art could make or use the '879 grommet without knowledge of Reynosol compound R-4467; it is whether they could practice Rubright's contemplated best mode which, the court found, included specifically the Reynosol compound .... Because Chemcast used only R-4467, because certain characteristics of the grommet material were claimed elements of the '879 invention, and because Rubright himself did not know the formula, composition, or method of manufacture of R-4467, section 112 obligated Rubright to disclose the specific supplier and trade name of his preferred material.

Performance Contracting contends that *Chemcast* would have found no best mode problem "if a generic description of the product (rigid PVC plastisol composition) as well as the critical property (a locking portion with hardness of 75 Shore D), had been disclosed" (D. Mem. 2 at 5).[9] But *Chemcast* itself indicates just the opposite: that both the generic properties of the locking portion of the grommet and the identity of the supplier and trade name were required. In describing the decision below, the Federal Circuit pointed out that the lower court had invalidated the patent for failure to disclose (1) the particular type, (2) the hardness and (3) the supplier and trade name of the material used to make the locking portion of the grommet. *Chemcast, id.* (emphasis added) stated:

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[9] Although Performance Contracting insists that this case is exactly like *Wahl Instruments*, Performance Contracting has not presented evidence that the choice of the 603A material was one of efficiency or convenience such as that described in *Wahl Instruments*, where "the manufacturing equipment was on hand, certain materials were available, prior relationship with supplier was satisfactory, or other reasons having nothing to do with development of the invention" (950 F.2d at 1581).

> In light of what [the patentee] knew, the specification, as issued, was manifestly deficient....The material hardness... *and* supplier/trade name...are not explicitly disclosed here or anywhere else in the specification.
>
> * * *
>
> As for the specific supplier and trade name designation of the preferred material, the [district] court found that disclosing a list of generic potential materials was 'not an adequate disclosure of the best mode PVC Re[y]nosol Compound R-4467'....We agree.

Nowhere did the Federal Circuit suggest that a description of the generic properties, without the name of the patentee's supplier, would have been sufficient.[10]

In this case, as in *Chemcast*, Pinsky used only one type of material. All he knew of its manufacture and composition was what the testing of the final product in Owens Corning's laboratory had revealed.[11] Although Burlington Industries did not develop the 603A finish specifically for Owens Corning, Performance Contracting has presented no evidence to counter the admissions in Pinsky's deposition testimony that the finish was not well known, was not promoted commercially and had not, to his knowledge, been sold to anyone else. Especially given Pinsky's lack of specific information about the finish, it is really a contradiction in terms for Performance Contracting to argue that Pinsky

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10 Although this problem is the reverse of that treated in *Randomex*, 849 F.2d at 589, where the court stated that disclosure of the tradename of a preferred element alone, without a description of its generic properties, would not be enough when there are no suitable substitutes on the market, *Chemcast* prevents induction from *Randomex* that a generic description is sufficient in a case such as this.

11 Unlike in *Chemcast*, no argument has been advanced here that Pinsky did not make a good faith attempt to describe accurately the generic properties of the material he used. Transco disputes the accuracy of the description but does not allege a complete failure to attempt to describe the best mode as in *Chemcast*. But the relevant point is the one made in the text: Pinsky's good faith effort at disclosure was necessarily circumscribed by the limited scope of his own knowledge.

could provide a general description sufficient to enable the skilled-in-the-art reader to practice the art.[12] *Chemcast* teaches that in such a case both the generic properties of the preferred material and the trade name and supplier of the material must be revealed. As *Dana Corp. v. IPC Ltd. Partnership*, 860 F.2d 415, 419 (Fed. Cir. 1988) put it:

> Even though there may be a general reference to the best mode, the quality of the disclosure may be so poor as to effectively result in concealment.

Wahl Instruments, 950 F.2d at 1583 n. 4 provides instruction in this regard as well, albeit in the negative, by stating "there is no *per se* requirement to provide names for sources of materials absent evidence that the name of the source would not be known or easily available." Performance Contracting has presented no real evidence at all that the 603A finish was known in 1973. To be sure, Pinsky has said in his February 23, 1993 Aff. ¶10:

> In 1973 and 1974 there were only a handful of significant fiberglass cloth manufacturers; the only three of any size were Burlington, J.P. Stevens, and Clark-Schwebel, and all three of these were well known to those seeking to purchase glass cloth for industrial applications.

Pinsky had also testified earlier (P. Ex. 67, Pinsky 9-12-91 Dep. 336-37) that the 603A finished cloth was "commercially available in 1973. You could issue a purchase order and they would sell it to you."

But the combined effect of that evidence, which would require an inquiry in the blind (really detective work) on the part of the skilled-in-the-art reader—an inquiry seeking to uncover information that was already specifically known to and readily disclosable by Pinsky—does not rise to the level of evidence that the specific nature and source of Pinsky's preferred fabric would be "known or easily available" to such a reader in 1973. That being

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12 As already noted, Owens Corning Fiberglas' 1977 Topical Report Glossary (P. Ex. 48 at A-6) states that "[t]he outer cover cloth for this blanket is produced specifically for the Owens Corning Fiberglas Nuclear Containment System."

true, Transco's motion for summary judgment of violation of the best mode requirement by Pinsky's original patent application must be granted to the extent that it is based on Pinsky's failure to disclose the supplier of his preferred fabric.[13]

2. Placement of the Fastener Parallel to, Rather Than Perpendicular to, the Junction of the Insulation

One of the elements of the Pinsky invention was the use of Velcro® fasteners, which provided ease of installation and removal not found with other commonly used fastening systems (P. Ex. 3 at T-102). Although neither the claims nor the specification made any reference to the placement of the Velcro® strips, drawings submitted with Pinsky's patent application depicted the Velcro® fasteners traversing the line where the edges of the insulating blanket met. Transco says that "a team, which included Mr. Sutton and Mr. Pinsky, relocated and reoriented the fastener(s) from circumferential to longitudinal and added a longitudinal flap to carry one of the mating strips" (P. Mem. 1 at 9-10).[14] Notes from

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13 This opinion's subsection I.A credited Dennis Vaughan's affidavit testimony that a person of ordinary skill in the glass finishing art would have understood in 1973 (as today) that "a leachable, organic silicate carried in a fatty and mineral oil vehicle" would be a generic description matching the actuality of the 603A finish. *In re Sherwood*, 613 F.2d 809, 816-17 (C.C.P.A. 1980) teaches that if one of ordinary skill in the art could practice the best mode from the patent disclosure, the best mode requirement is met. Here the problem confronting Performance Contracting is that although the skilled person could presumably have practiced the art if he or she were actually furnished a product that had the characteristics set out in the generic description, there is no showing that the mere statement of those characteristics would enable the skilled person to replicate the fabric. Hence Pinsky's nondisclosure of the source for the best mode material is the equivalent of concealment if that source was not otherwise known. Thus Vaughan's testimony cannot overcome Performance Contracting's total lack of evidence as to public familiarity with the 603A finish in 1973.

14 Transco cannot prevail on its claim that the Owens Corning team reoriented the fasteners "because this circumferential arrangement failed, due to the heat burning the fastener transversing the seam" (P. Mem. 1 at 9). Pinsky testified otherwise, stating (P. Ex. 54, Pinsky 4-9-91 Dep. 6263) that circumferential Velcro® strips could work if properly installed, and that the change was made because longitudinal strips "looked better and [ ] fit better."

an Owens Corning meeting discussing the blanket insulation included, under the heading "*Decisions,*" the statement "Velcro to be applied parallel to longitudinal lap" (P. Ex. 38a at 1). As Transco points out, Pinsky did not reveal that change in his October 2, 1974 continuation application (P. Mem. 1 at 10).

Performance Contracting cites Pinsky's February 23, 1993 Aff. ¶11 as evidence that longitudinally-placed Velcro®, although an option, was not the preferred mode:

> On October 2, 1974 I had worked with both circumferential and transverse (or longitudinal) fasteners, but I did not consider one better than the other. In the first field trial we conducted in early March, 1974 (see paragraph 11 of my affidavit of Transco Ex. 38), some of the blankets had longitudinal fasteners, and others had circumferential. To this day I do not consider one better than the other. It is highly situation specific which is best, and PCI uses both types extensively commercially.

Once again this late-in-the-day statement, made only after the "best mode" issues came into the case, is belied by what Pinsky had said before any motive to reshape his recollection arose in that respect.

Thus Pinsky's September 23, 1991 Aff. ¶11 (referred to in the just-quoted statement) did *not* really say that both circumferential and longitudinal Velcro® strips were used in the field trials. Instead that earlier statement (P. Ex. 38 ¶11) says "we actually installed NUKON® at a nuclear power plant in a field trial in early March, 1974, including blankets with longitudinal Velcro® strips." Surely that is an odd way to describe—as Pinsky would have it—an initial field trial that encompassed both longitudinal and latitudinal types of strips, rather than longitudinal ones alone. And the more normal longitudinal-only reading of that statement is buttressed by the rest of Pinsky's statements in that earlier affidavit (*id.* ¶¶7 - 10):

> [S]hortly after filing of the application, we changed the orientation of the hook and loop strips so that they were longitudinal, as it is in the present NUKON® product illustrated by

exhibits 2 and 3 hereto. This change was made aerially in November, 1973

* * *

Several days after [Jack Sutton] and Ed Cantrel started working on the project it was suggested to reorientate the hook and loop strips so that they were longitudinal instead of circumferential. To the best of my recollection it was Ed Cantrel who originally suggested this change, saying it was an obvious change that he thought would make the blanket more practical to manufacture

* * *

By November 9, 1973 at the latest we had made an initial decision to apply the hook and loop fasteners longitudinally, as made clear by the OCF inter-company correspondence dated November 12, 1973.

To the identical effect, this opinion has already referred to Pinsky's April 9, 1991 deposition, in which he answered the question "Why did you go from circumferential Velcro to longitudinal Velcro?" by saying "Because it looked better and it fit better" (P. Ex. 54 at 62-63).[15] Once again there was no suggestion that circumferentially-placed Velcro® was also used once the change was decided on.

Even though conventional summary judgment law does not involve credibility determinations, there is a well-established exception that with limited exceptions allows a later affidavit—

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15 Parenthetically, Pinsky recalled in that deposition that the switch to longitudinal Velcro® was made in November of 1974. But the notes from the Owens Corning meeting indicate that the date was November of 1973, and the language quoted in the preceding paragraph of the text from Pinsky's September 23, 1991 affidavit confirmed that the "change was made early in November, 1973" and that "[b]y November 9, 1973 at the latest we had made an initial decision to apply the hook and loop fasteners longitudinally, as made clear by the OCF inter-company correspondence dated November 12, 1973." Under all those circumstances 1973 rather than 1974 is established as the relevant date for the change to longitudinally-placed Velcro®.

one submitted only when an issue has been placed on the line by a Rule 56 motion—to be discredited when it is at odds with earlier sworn statements by the same affiant (see, e.g., *Slowiak v. Land O'Lakes, Inc.*, 987 F.2d 1293, 1297 (7th Cir. 1993)). In the same way, Pinsky's February 23, 1993 affidavit, which stands alone and is contrary to his earlier sworn statements, cannot raise a genuine issue of material fact as to whether Pinsky did not consider longitudinally-placed Velcro® to be the best mode of practicing the invention.

That however is not the end of the analysis on the issue. Performance Contracting argues that even if longitudinally-placed Velcro® strips did become recognized as the best mode of practicing the invention, there was no duty to disclose that decision because it was reached after the filing date of the original application. That argument poses the question whether Pinsky was obligated to reveal the preferred (best mode) longitudinal placement when he filed his continuation application on October 2, 1974 (P. Ex. 4).

There is no obligation on an inventor's part to volunteer separately, by way of further disclosure, information learned only after the application is on file—even though of the type that would have been a required best mode disclosure if known at the time of the application. As *Spectra-Physics. Inc. v. Coherent Inc.*, 827 F.2d 1524, 1535 (Fed. Cir. 1987) has said in that context:

> The specificity of disclosure required to comply with the best mode requirement must be determined by the knowledge of facts within the possession of the inventor at the time of filing the application.

Similarly, to prevent an inventor from getting the benefit of an earlier date under Section 120 (a date relating back to the filing of the original application) for any later development, Section 132 prohibits the addition of "new matter" into a reexamination application. Hence *Engle Industries, Inc. v. Lockformer Co.*, 946 F.2d 1528, 1534 (Fed. Cir. 1991) confirms in the context of dealing with a nondisclosure-as-inequitable-conduct contention (what used to be termed "fraud on the Patent Office"):

> There is no opportunity for an inventor to include subsequent improvements or modifications in an application or patent after filing.

But the best mode disclosure requirement is not one that is geared to offering an opportunity for improper expansion of the patent monopoly. Instead it serves the public policy of mandated maximum disclosure by the inventor—and to advance that policy, it is made a precondition to acquiring a legal monopoly at all. Neither *Engel Industries* nor any other Federal Circuit decision has explicitly addressed the question whether an applicant filing a continuation or continuation-in-part application under Section 120 must disclose a best mode arrived at after the initial application was filed (see 2 Donald Chisum, *Patents* §7.05[2], at 7-151 to -152 (1993)).

Outside of the Federal Circuit, *Carter-Wallace, Inc. v. Riveton Laboratories, Inc.*, 433 F.2d 1034, 1038 (2d Cir. 1970) assumed without deciding that the best mode requirement does apply to disclosures made in continuation applications. On the other side of the coin, two district court cases have agreed with Performance Contracting's present stance: *Sylgab Steel and Wire Corp. v. Imoco-Gateway Corp.*, 357 F. Supp. 657 (N. D. Ill. 1973); *Johns-Manville Corp. v. Guardian Indus. Corp.*, 221 U.S.P.Q. 319, 345 (E. D. Mich. 1983), *aff'd without published opinion*, 770 F.2d 178 (Fed. Cir. 1985).[16]

Sylgab, 357 F. Supp. at 658 based its decision on the premise that if a best mode disclosure had to be included in a continuation

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16 Performance Contracting repeatedly insists in its memoranda that *Sylgab* controls this Court's decision. That argument may be flattering to district judges, but it is simply wrong. Our Court of Appeals reminds us on occasion that no district court decision has precedential value (see, e.g., *TMF Tool Co., Inc. v. Muller*, 913 F.2d 1185, 1191 (7th Cir. 1990)). As much respect as one district judge may have for another (and it does without saying that this Court has the greatest of respect for the author of *Sylgab*, now our Court of Appeals' Chief Judge William Bauer), he or she is free to disagree and to reach the opposite result from any earlier decision of the other judge. And as the ensuing text reflects, that is the situation here. For ease of discussion, what follows will refer only to *Sylgab* (*Johns Manville* simply cites to *Sylgab* at one point in a 35-page opinion dealing with a host of other issues).

application, the inclusion of such new matter would deprive the applicant of the benefit of the original filing date normally provided by Section 120 (see also 2 Chisum, §7.05[2], at 7-152 n. 3.1; Roy Hofer, *The Best Mode Defense After the Federal Circuit's First Decade*, C785 ALI-ABA 1, 5 (1992)). But that is really a non sequitur. Here is Section 120:

> An application for patent for an invention disclosed in the manner provided by the first paragraph of section 112 of this title in an application previously filed in the United States, or as provided by section 363 of this title, which is filed by an inventor or inventors named in the previously filed application shall have the same effect, as to such invention, as though filed on the date of the prior application, if filed before the patenting or abandonment of or termination of proceedings on the first application or on an application similarly entitled to the benefit of the filing date of the first application and if it contains or is amended to contain a specific reference to the earlier filed application.

In terms of the relevant language from that provision, an applicant is entitled to preserve the earlier filing date if "the second application...[is] an application for a patent for an invention which is also disclosed in the first application."

To state the flip side of that language, in order for the inventor to qualify for that treatment as to every facet of the patent's disclosure, his or her second application must not disclose new matter (*In re Shaw*, 202 U.S.P.Q. 285, 291 (Comm'r of Patents & Trademarks 1978)). But all that means is that if new matter *is* introduced, the application is considered a continuation-in-part application and the new matter is not entitled to the earlier filing date (*In re Van Langenhoven*, 458 F.2d 132, 136 (C.C.P.A. 1972)).

Thus *Sylgab* is mistaken in suggesting that Section 120 either establishes or implies a requirement that the continuation application must be identical to the original application in all respects. As long ago explained in *Godfrey v. Eames*, 68 U.S. (1 Wall.) 317, 324-25 (1863):

> A change in the specification as filed in the first instance, or the subsequent filing of a new one, whereby a patent is still sought for the substance of the invention as originally claimed, or a part of it, cannot in any wise affect the sufficiency of the original application or the legal consequences flowing from it. To produce that result the new or amended specification must be intended to serve as the basis of the patent for a distinct and different invention, and one not contemplated by the specification, as submitted at the outset.

And *Chicago & N.W. Ry. Co. v. Sayles*, 97 U.S. (7 Otto) 554, 563-64 (1878) elaborated on the significance of newly introduced matter:

> [I]f the amended application and model, filed by [the applicant] five years later, embodied any material addition to or variance from the original—any thing new that was not comprised in that,—such addition or variance cannot be sustained on the original application. The law does not permit such enlargements of an original specification, which would interfere with other inventors who have entered the field in the mean time, any more than it does in the case of re-issues of patents previously granted. Courts should regard with jealousy and disfavor any attempts to enlarge the scope of an application once filed, or of a patent once granted, the effect of which would be to enable the patentee to appropriate other inventions made prior to such alteration, or to appropriate that which has, in the mean time, gone into public use.

Those and like cases make it abundantly clear that the concern expressed in *Sylgab* is really a non-issue. If information as to the best mode of practicing the invention is added to an application merely to clarify but not to modify the originally disclosed invention, such an addition is entirely proper—that is, it is not really "new matter"—and therefore it does not convert the continuation application into a continuation-in-part application. On the other hand, if the best mode information amounts to a "material

addition to or variance from the original," then the original application did not properly cover the new "best mode" anyway. In that situation, continuation-in-part treatment is called for as to any coverage, in the patent grant, of the best mode information as inventive of itself.[17] As *In re Weiler*, 790 F.2d 1576, 1580 (Fed. Cir. 1986) has said in the reissue context, the question in that respect is "whether the disclosure 'reasonably conveys to one skilled in the art that the inventor had possession of the broad invention at the time the original application was filed.'" [18]

What all of this comes down to is that there is no analytic reason that Sections 112 and 120 cannot coexist or, to put it differently, that the policy that informs Section 120 should trump the policy that informs Section 112. If an inventor files a continuation application, it serves both of those policies to require the inventor, in the interest of full disclosure, to divulge any intervening best mode information (not known at the time of the initial application but learned before the continuation application has been filed) that really explains rather than expands the nature and scope of the originally claimed invention. In that way the full-disclosure goal of Section 112 is served, while the inventor's original filing date priority is fully preserved under Section 120.

That requirement should be distinguished from imposing an independent requirement on an inventor to update an initial application with each item of added intelligence that, if known at the time of the initial application, would have been required for inclu-

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17 *Dow Chemical Co. v. American Cyanamid Co.*, 615 F.Supp. 471, 482 (E.D. La. 1985) (*aff'd* without discussing the issue, 816 F.2d 617 (Fed. Cir. 1987)) held that no new best mode disclosure was required in a reissue application because no new matter was permissible in reissue applications. However, as the case law makes clear, the notion of "no new matter" in a reissue application goes to material sought to be used to expand the scope of claims or to introduce concepts not present in the parent application (see, e.g., *Dart Industries. Inc. v. Banner*, 636 F.2d 684, 688 (D.C. Cir. 1980)).

18 As Chisum §11.04, at 11-114 explains:

> Amendments which merely clarify or make definite that which was expressly or inherently disclosed in the original application or which conform the specification to matter originally disclosed in the drawings or claims do not violate the rule on new matter.

sion then as a matter of best-mode disclosure. That question is not in issue here. Instead the point is that, after all, a continuation application *is* a new filing that involves representations to the Patent and Trademark Office. As with every such representation, it ought to be truthful. And that being so, it is entirely appropriate to apply to those representations the policy that Congress enacted into law in Section 112: Absent express statutory or controlling precedent stating otherwise, this Court is constrained to impose the same best mode disclosure requirements on a continuation application as on an original filing.[19]

In this instance the Pinsky patent continuation application failed to disclose the best mode orientation of the Velcro® strips parallel to the junction of the insulation, a determination that had been arrived at almost immediately after the filing of the original application and almost a year before the filing of the continuation application. That violation of the full-disclosure mandate of Section 112 also renders the Pinsky patent invalid.

3. Essentiality of a Flap Carrying One of the Mating Strips Over To Meet the Other

Transco also argues that the continuation application was insufficient in best-mode terms because it failed to disclose a flap used to carry one longitudinal fastener strip over to the other (P. 12(m) ¶75; P. Mem. 1 at 9-10, P. Mem. 2 at 11-12). Performance Contracting responds both (1) that the flap is not essential and (2) that Figure 1 of the original Pinsky patent application does disclose a flap (D. 12(n) ¶¶75-76). Performance Contracting's second contention is a little mysterious: Figure 1 shows circumferential fastening strips, and Performance Contracting does not explain why it would also include a flap with a longitudinal fastener on it or, if the flap did not include a fastener, what would hold the flap down.

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19 In a way the situation is analogous to the responsibilities of a signing party under Rule 11 (at least unless and until the proposed amendments take effect on December 1, 1993): There is no obligation to correct statements that were in compliance with that Rule when made, but every *new* filing must speak the truth currently.

As for the other aspect of the parties' dispute, however, Transco's insistence that a flap carrying a longitudinal strip of fastener over to the other side was omitted from the continuation application is really nothing more than another way of putting Transco's contention just dealt with in this opinion: that Pinsky failed to disclose at that point that longitudinal fastener strips were the best mode of practicing the invention. If in fact longitudinal strips worked best, then a flap with one of the strips sewn on necessarily had to be included to cause the strips to meet and adhere. Separate consideration of that element of a longitudinal fastening system is unwarranted.

4. Composition of the Hooks and Loops in the Fastener Strips

Claim 1 of the Pinsky patent said that "woven nylon, hook and loop fasteners" are used in the invention. In that regard the specification explained that "high temperature resistant nylon is preferred." Transco contends that the Pinsky patent is invalid for its failure to disclose that before he filed the initial application Pinsky knew of stainless steel hooks and Nomex® loop[20] fasteners, and that before he filed the continuation application Pinsky knew (1) that simple nylon fasteners could not withstand the heat in containment areas and (2) that stainless steel hooks and Nomex® loops would be used in the fasteners (P. Mem. 1 at 12).

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20 Opinion 2 at 623-24 addressed, and decided in the affirmative, the issue of whether Nomex® is substantially equivalent to "high temperature resistant nylon." With no further evidence having been provided by the parties on the subject, that decision stands. Accordingly, Transco's current contention that Pinsky's failure to disclose Nomex® loops presents a best mode problem will not be considered in the absence of a showing comparable to that required in this opinion as to the best-mode fabric: that Pinsky should have disclosed the brand name and supplier of his preferred high temperature resistant nylon because it would not have been known or easily available to one of ordinary skill in the art. Opinion 2 at 624 also noted that it was not possible to determine from the parties' then-tendered submissions whether high temperature resistant nylon hooks existed. Pinsky's February 9, 1993 Aff. ¶3 makes it clear that as far as Pinsky knows it is not possible to make hooks from high temperature resistant nylon.

Pinsky testified in deposition (P. Ex. 54, Pinsky 9-12-91 Dep. 137) that he knew in the middle of 1973 that simple nylon is "not satisfactory in a nuclear containment area." He went on to testify (*id.* at 383) that as of October 12, 1973 he "had made no final decision as to what kind of velcro [he was] going to use," but that as of August 1974 testing had been done and it had been decided that stainless steel hooks would be used (*id.* at 391).[21] That testimony is confirmed by objective nontestimonial evidence:

1. P. Ex. 47 is a memo from D. C. Glosser dated August 2, 1974 and sent to Pinsky among others, stating:

> [W]e are changing the manufacturing spec requirements for Velcro fasteners on the inner layer only of our Nuclear Containment pads. The new configuration will include...Mid-temp hooks (stainless steel).

2. P. Ex. 45 is a memo from Pinsky to R.E. Davis at Owens Corning as to testing of the Nukon product, stating at page 2 under the heading "Observation":

> The nylon hooks burnt off the Nomex base tape as they had done during our last hot pipe test at P.T.L. The change to stainless steel hooks (Mid-Temp) will take care of this.

And to the identical effect, Pinsky also testified that the commercial embodiment of the Nukon product has always incorporated stainless steel hooks (P. Ex. 54, Pinsky 9-12-91 Dep. 245).

Despite all of that, Patrick Pacella (the attorney who prosecuted the patent application) testified in deposition (P. Ex. 55, Pacella 7-30-91 Dep. 100-01) that he was never made aware that stainless steel hooks existed, and he did not recall having been informed of their use in the Product. If the disclosure of that element was required in best mode terms but was not made, the nondisclosure was Pinsky's doing and not that of the lawyer.

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21 Elsewhere Pinsky testified (*id.* at 135) that he knew as of September 20, 1974 that stainless steel hooks would be used. Both that date and the one referred to in the text antedated the filing of the continuation application.

Once more Pinsky, confronted with the best mode problem, has shifted positions. Now he seeks to cast doubt on the date on which he became aware that stainless steel hooks would be used—his February 9, 1993 Aff. ¶4 says:

> While in my deposition pages 135+ it was assumed that the date I came to this determination was September 20, 1974, I am not positive that is the date. I know it was between the first of September and the end of November, 1974, however.

Pinsky has also now said that for single thickness blankets of at least three or four inches, simple nylon hooks would not fail (*id.* at ¶ 5).

As before, such cases as *Slowiak* teach that this Court is entitled to discredit Pinsky's affidavit statements in contradiction of his earlier sworn testimony. Hence those changes of recollection (to be charitable) cannot serve to create an issue of fact as to whether Pinsky knew, before filing the continuation application, that he considered stainless steel hooks to be an element of the best mode of the invention.

Performance Contracting argues that the claims of the Pinsky patent do not call for nylon hooks, so that there is no best mode problem.[22] However, as Opinion 2 at 625 observed (citing *Spectra-Physics*, 827 F.2d at 1536) "a complete failure to reveal material subject matter can be a violation of the best mode requirement." Pinsky's own testimony unquestionably shows that stainless steel was considered the best material for the hooks—indeed, that stainless steel hooks were the only type that would not disintegrate. Hence any failure to divulge that preferred element surely implicates the best mode requirement.

Performance Contracting tries to avert that result by arguing that the best mode was in fact adequately disclosed—that "by

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22 Opinion 2 at 622 addressed Performance Contracting's contention that its statement in Claim 1 that "the fasteners are two woven nylon, hook and loop mating strips" referred to the material of the strips only, and not to the material of the hooks or loops. That proposed reading is certainly a stretch (*id.*). In any event the issue turns out to make no difference in the best mode context.

merely applying routine skill from the fastener art in 1974 one would know that if a high temperature nylon was not sufficient to withstand the temperature in a particular environment that one would merely have to go up to the next highest grade (as far as temperature resistance was concerned) of VELCRO" (D. Mem. 1 at 8). But that contention would obliterate the best mode requirement altogether: In essence Performance Contracting contends that it need not have disclosed its own knowledge that stainless steel hooks were the best mode (and, moreover, the *only* workable mode), just because someone who experimented would find that stainless steel hooks were preferable.[23] That notion is impermissible in light of the Section 112 requirement that the inventor make such information, learned in creating the invention, part of the public domain.

Performance Contracting cannot counter that plain statutory meaning by its effort to call upon the *Sherwood* case. *Sherwood,* 613 F.2d at 817 held that the patent application's nondisclosure of a particular computer program used was not fatal under the best mode inquiry where the specification did provide "the general mathematical equations used" as well as a "'trick' of chopping the physical input seismic traces into segments via a mathematical manipulation." Analogizing the information provided in the specification to making a disclosure in an easily translated foreign language (*id.* at 817 n.6), *Sherwood, id.* at 817 said that there was "no cogent reason to require disclosure of the menial tools known to all who practice this art." [24] By sharp contrast, here nothing in the

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23 Presumably it is true that field tests would demonstrate that simple nylon hooks burned in the heat of nuclear power plant containment areas. But field testing would seem, in this context at least, to be a quite expensive proposition. Owens Corning's contract with Batelle Memorial Institute, which conducted tests on its product, set a price of $33,265 on the testing (P. Ex. 63 at 4). More to the point, the party seeking a patent monopoly cannot thrust on someone else the burden of learning a best mode embodiment already known to the prospective patentee.

24 Indeed, the court stated (*id.* at 817 n.8) that "the detailed disclosure of the analog method in combination with the suggestion that a digital method should be used might be more enlightening to one having ordinary skill in the art

(continued...)

application gave information that would lend itself to such ready translation: Neither the claims nor the specification in the Pinsky patent provided the slightest hint that Pinsky considered stainless steel hooks to be the best mode of practicing the invention.[25]

As was true of the undisclosed best mode as to longitudinal rather than circumferential strips, by the time he filed the continuation application Pinsky had found—but did not disclose that he had found—stainless steel to be the best material for the hooks of his invention. Pinsky's failure to reveal that information is still another nondisclosure that renders the patent invalid under Section 112.

5. Fiberglass Scrim Between the Glass Wool Batt and the Glass Cover

Finally, Transco says that a fiberglass scrim between the glass

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24 (...continued)
than the computer listing or flow chart required by the PTO. " Performance Contracting's position is also undercut by *Dale Electronics, Inc. v. R.C.L. Electronics, Inc.*, 488 F.2d 382, 388-89 (1st Cir. 1973), a case that *Sherwood*, 613 F.2d at 816 n.5 viewed as consistent with its own standard. *Dale* held that a disclosure of the broad class of material used was an inadequate disclosure of the best mode. Although the inventor there claimed that experimentation was necessary to determine what material worked best, he had determined that a number of materials within the class did not work, and he had also discovered a specific but undisclosed material that worked quite well. *Dale, id.* at 388-89 agreed with the district court's determination that "the plaintiff's desire to bring all types of insulating material within the scope of its patent claim without disclosing the one material that worked effectively has resulted in a description too vague for an accurate and effective disclosure of the invention" and hence that the patent was invalid under Section 112's best mode requirement.

25 Performance Contracting's inappropriate suggestion that a best mode is adequately disclosed if field tests will ultimately reveal it to a person desiring to practice the invention also calls for a type of experimentation different from what passed muster in *Amgen, Inc. v. Chugai Pharmaceutical Co.*, 927 F.2d 1200 (Fed. Cir. 1991). In excusing the inventor from disclosing the preferred host cells to be used in the invention, *Amgen, id.* at 1210 (emphasis added) said that "there were no starting materials that were not publicly available, *that were not described*, or that required undue experimentation for their preparation in order to carry out the best mode."

wool batt and the glass cover has always been used in the Nukon product and that it is an essential element that was not disclosed either in the initial or in the continuation application (P. Mem. 1 at 14-15). In support of its position Transco points to a number of evidentiary items:

1. Pinsky stated in a July 17, 1973 letter to attorney Pacella (P. Ex. 44 at 1):

> In our system the wool will most likely be covered top and bottom with a cheap scrim and then quilted prior to covering it with the outer cloth.

2. David John Brown, currently Performance Contracting's sales manager for nuclear plant insulation systems, testified (P. Ex. 57, Brown Dep. 56) that the scrim had been used "since [the] inception" of the product, and he agreed that the scrim "is essential to the operation of the product." Brown explained that "if the binder burns out on the fiberglass, you have a means of retaining the fiberglass in place and you don't have a beanbag" (*id.* at 55-56).[26]

3. In a September 5, 1973 letter, the laboratory that was testing the Pinsky product described the insulation as "consist[ing] of a scrim-covered fiberglass cloth encapsulated in an outer cloth making a blanket" (P. Ex. 63).

4. Similarly, a November 9, 1973 flow chart of the product included a scrim (P. Ex. 38a at 4), as did a 1977 glossary listing the components of Owens Corning's Nuclear Containment Insulation System and a page from a 1983

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26 D. Mem. 2 at 9 attempts to undercut Brown's testimony by stating that he is "*not* a 30(b)(6) witness of PCI, is *not* an expert in insulation, did not work for PCI until more than a decade after the Pinsky application was filed, and is *not* someone technically qualified to render an opinion about whether or not any particular component of the patent is, or is not, necessary." Brown went to work for Performance Contracting in 1986. Until 1990 he was regional sales manager, then became sales manager for Engineered Systems Division, the division that manufactures Nukon and conducts all of Performance Contracting's nuclear power plant insulation sales (P. Ex. 68 at 15, 21-22). But surely the sales manager for nuclear plant insulation systems is expected to be familiar with what he is selling, and this Court accepts his opinion testimony on that basis.

Performance Contracting brochure depicting the Nukon blanket (P. Exs. 48, 49).

5. Pinsky himself admitted that scrim "provides better integrity for handling purposes" and a "better product" (Pinsky February 23, 1993 Aff. ¶¶4, 17).

6. Finally, Performance Contracting's current sales literature promotes its blankets as being the only ones in the industry to contain a scrim (P. Ex. 66).

Although these pieces of evidence indicate that the Nukon product, in its commercial form, has always employed a scrim, they do not rise to the level of a showing that at the time of filing either the original or continuation application Pinsky considered that a blanket with a scrim was preferable to a blanket without a scrim.[27] His July 17, 1973 letter to Pacella said a scrim would "most likely" be used, not that it was preferred and would be used. Transco's motion for summary judgment of invalidity of the Pinsky patent is therefore denied to the extent that it is grounded on failure to disclose the scrim.

Conclusion

There is no genuine issue of material fact, and Transco is entitled to a judgment as a matter of law as to the invalidity of the Pinsky patent for failure to comply with the best mode requirement of Section 112 because of nondisclosure of (1) the 603A fabric, (2) the placement of the Velcro® fastener in a position parallel rather than perpendicular to the junction of the insulation and (3) the composition of the hooks of the fastener. This Court declares

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27 Transco cites *Dana*, 860 F.2d at 419-20 for the proposition that the fact that an element is found in the commercial embodiment of an invention is evidence that it was considered the best mode of practicing the invention. In *Dana* the evidence that an element was present in the commercial embodiment of the invention merely backed up test reports pointing out what was claimed to be the best mode as well as a letter from the inventor to the prosecuting attorney pointing out that the best mode was not disclosed. Transco has presented no such evidence in this case.

the Pinsky patent to be invalid for those reasons, but Transco's motion to the same effect is denied as to the fabric flap and the scrim. Performance Contracting's counterclaim for infringement is dismissed. All claims and counterclaims now having been dealt with, this is the final judgment in this action.

/s/

Milton I. Shadur
Senior United States District Judge

Date: May 18, 1993

REGULATIONS and STATUTES

§1.60 Continuation or divisional application for invention disclosed in a prior application.

(a) [Reserved]

(b) An applicant may omit signing of the oath or declarations in a continuation or divisional application (filed under the conditions specified in 35 U.S.C. 120 or 121 and §1.78(a)) if:

(1) the prior application was a complete application as set forth in §1.51(a),

(2) applicant indicates that the application is being filed pursuant to this section and files a true copy of the prior complete application as filed including the specification (with claims), drawings, oath or declaration showing the signature or an indication it was signed, and any amendments referred to in the oath or declaration filed to complete the prior application,

(3) the inventors named in the continuation or divisional application are the same or less than all the inventors named in the prior application, and

(4) the application is filed before the patenting or abandonment of or termination of proceedings on the prior application.

The copy of the prior application must be accompanied by a statement that the application papers filed are a true copy of the prior application and that no amendments referred to in the oath or declaration filed to complete the prior application introduced new matter therein. Such statement must be by the applicant or applicant's attorney or agent and must be a verified statement if made by a person not registered to practice before the Patent and Trademark Office. Only amendments reducing the number of claims or adding a reference to the prior application (§1.78(a)) will be entered before calculating the filing fee and granting the filing date. If the continuation or divisional application is filed by less

than all the inventors named in the prior application, a statement must accompany the application when filed requesting deletion of the names of the person or persons who are not inventors of the invention being claimed in the continuation or divisional application. Except as provided in paragraph (d) of this section, if a true copy of the prior application as filed is not filed with the application or if the statement that the application papers are a true copy is omitted, the application will not be given a filing date earlier than the date upon which the copy and statement are filed, unless a petition with the fee set forth in §1.17(i)(1) is filed which satisfactorily explains the delay in filing these items.

(c) If an application filed pursuant to paragraph (b) of this section is incomplete for reasons other than those specified in paragraph (d) of this section, applicant will be notified and given a time period within which to complete the application in order to obtain a filing date as of the date of filing the omitted item provided the omitted item is filed before the patenting or abandonment of or termination of proceedings on the prior application. If the omission is not corrected within the time period set, the application will be returned or otherwise disposed of; the fee, if submitted, will be refunded less the handling fee set forth in §1.21(n).

(d) If an application filed pursuant to paragraph (b) of this section is otherwise complete, but does not include the appropriate filing fee or a true copy of the oath or declaration from the prior complete application, showing the signature or an indication it was signed, a filing date will be granted and applicant will be so notified and given a period of time within which to file the fee, or the true copy of the oath or declaration and to pay the surcharge as set forth in §1.16(e) in order to prevent abandonment of the application. The notification pursuant to this paragraph may be made simultaneously with any notification pursuant to paragraph (c) of this section.

§1.62 File wrapper continuing procedure.

(a) A continuation, continuation-in-part, or divisional application, which uses the specification, drawings and oath or declaration from a prior complete application (§1.51(a)) which is to be

abandoned, may be filed before the payment of the issue fee, abandonment of, or termination of proceedings on the prior application. The filing date of an application filed under this section is the date on which a request is filed for an application under this section including identification of the Serial Number, filing date, and applicant's name of the prior complete application. If the continuation, continuation-in-part, or divisional application is filed by less than all the inventors named in the prior application a statement must accompany the application when filed requesting deletion of the names of the person or persons who are not inventors of the invention being claimed in the continuation, continuation-in-part, or divisional application.

(b) The filing fee for a continuation, continuation-in-part, or divisional application under this section is based on the number of claims remaining in the application after entry of any preliminary amendment and entry of any amendments under §1.116 unentered in the prior application which applicant has requested to be entered in the continuing application.

(c) In the case of a continuation-in-part application which adds and claims additional disclosure by amendment, an oath or declaration as required by §1.63 must also be filed. In those situations where a new oath or declaration is required due to additional subject matter being claimed, additional inventors may be named in the continuing application. In a continuation or divisional application which discloses and claims only subject matter disclosed in a prior application, no additional oath or declaration is required and the application must name as inventors the same or less than all the inventors named in the prior application.

(d) If an application which has been accorded a filing date pursuant to paragraph (a) of this section does not include the appropriate basic filing fee pursuant to paragraph (b) of this section, or an oath or declaration by the applicant in the case of a continuation-in-part application pursuant to paragraph (c) of this section, applicant will be so notified and given a period of time within which to file the fee, oath, or declaration and to pay the surcharge as set forth in §1.16(e) in order to prevent abandonment of the application. The notification pursuant to this paragraph may be

made simultaneously with any notification of a defect pursuant to paragraph (a) of this section.

(e) An application filed under this section will utilize the file wrapper and contents of the prior application to constitute the new continuation, continuation-in-part, or divisional application but will be assigned a new application serial number. Changes to the prior application must be made in the form of an amendment to the prior application as it exists at the time of filing the application under this section. No copy of the prior application or new specification is required. The filing of such a copy or specification will be considered improper, and a filing date as of the date of deposit of the request for an application under this section will not be granted to the application unless a petition with the fee set forth in §1.17(i)(1) is filed with instructions to cancel the copy or specification.

(f) The filing of an application under this section will be construed to include a waiver of secrecy by the applicant under 35 U.S.C. 122 to the extent that any member of the public who is entitled under the provisions of 37 CFR 1.14 to access to, or information concerning either the prior application or any continuing application filed under the provisions of this section may be given similar access to, or similar information concerning, the other application(s) in the file wrapper.

(g) The filing of a request for a continuing application under this section will be considered to be a request to expressly abandon the prior application as of the filing date granted the continuing application.

(h) The applicant is urged to furnish the following information relating to the prior and continuing applications to the best of his or her ability:

(1) Title as originally filed and as last amended;

(2) Name of applicant as originally filed and as last amended;

(3) Current correspondence address of applicant;

(4) Identification of prior foreign application and any priority claim under 35 U.S.C. 119.

(5) The title of the invention and names of the applicants to be named in the continuing application.

(i) Envelopes containing only application papers and fees for filing under this section should be marked "Box FWC."

(j) If any application filed under this section is found to be improper, the applicant will be notified and given a time period within which to correct the filing error in order to obtain a filing date as of the date the filing error is corrected provided the correction is made before the payment of the issue fee, abandonment of, or termination of proceedings on the prior application. If the filing error is not corrected within the time period set, the application will be returned or otherwise disposed of; the fee, if submitted, will be refunded less the handling fee set forth in §1.21(n).

35 U.S.C. §6

§6 Duties of Commissioner

(a) The Commissioner, under the direction of the Secretary of Commerce, shall superintend or perform all duties required by law respecting the granting and issuing of patents and the registration of trademarks; shall have the authority to carry on studies, programs, or exchanges of items or services regarding domestic and international patent and trademark law or the administration of the Patent and Trademark Office, including programs to recognize, identify, assess and forecast the technology of patented inventions and their utility to industry; and shall have charge of property belonging to the Patent and Trademark Office. He may, subject to the approval of the Secretary of Commerce, establish regulations, not inconsistent with law, for the conduct of proceedings in the Patent and Trademark Office.

(b) The Commissioner, under the direction of the Secretary of Commerce, may, in coordination with the Department of State, carry on programs and studies cooperatively with foreign patent offices and international intergovernmental organizations, or may authorize such programs and studies to be carried on, in connection with the performance of duties stated in subsection (a) of this section.

(c) The Commissioner, under the direction of the Secretary of Commerce, may, with the concurrence of the Secretary of State, transfer funds appropriated to the Patent and Trademark Office, not to exceed $100,000 in any year, to the Department of State for the purpose of making special payments to international intergovernmental organizations for studies and programs for advancing international cooperation concerning patents, trademarks, and related matters. These special payments may be in addition to any other payments or contributions to the international organization and shall not be subject to any limitations imposed by law on the amounts of such other payments or contributions by the Government of the United States.